THE SENATE OF CANADA

SPEAKER: Hon. Élie Beauregard

Official Report of Debates

1952

Editor: H. H. EMERSON, *C.S.R.*, Room 236, The Senate
Reporters: B. P. LAKE, *C.S.R.*, G. B. HAGEN, *C.S.R.*
P. H. SHELTON, *C.S.R.*, T. S. HUBBARD, Jr., *C.S.R.*
V. LEMIRE, *M.B.E.*, *C.S.R.* (Sessional)
Translators: THE BUREAU FOR TRANSLATIONS

SIXTH SESSION, TWENTY-FIRST PARLIAMENT
1 ELIZABETH II

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952

THE CANADIAN MINISTRY

According to Precedence as at February 26, 1952

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

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

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

THE HONOURABLE ALPHONSE FOURNIER .. Minister of Public Works.

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

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

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

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

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

THE HONOURABLE WISHART MCL. ROBERTSON ..... Leader of the Government in the Senate.

THE HONOURABLE MILTON FOWLER GREGG ..... Minister of Labour.

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

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

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

THE HONOURABLE ROBERT HENRY WINTERS ..... Minister of Resources and Development.

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

THE HONOURABLE HUGUES LAPOINTE .... Minister of Veterans Affairs.

55708—1½

THE HONOURABLE WALTER EDWARD HARRIS ..... Minister of Citizenship and Immigration.

THE HONOURABLE GEORGE PRUDHAM.... Minister of Mines and Technical Surveys.

THE HONOURABLE ALCIDE COTÉ..... Postmaster General.

PARLIAMENTARY ASSISTANTS

G. J. MCILRAITH, ESQ., M.P. ..... To Minister of Trade and Commerce

P. E. COTE, ESQ., M.P. ..... To Minister of Labour

R. MCCUBBIN, ESQ., M.P. ..... To Minister of Agriculture

J. M. MACNAUGHT, ESQ., M.P. ..... To Minister of Fisheries

L. A. MUTCH, ESQ., M.P. ..... To Minister of Veterans Affairs

J. A. BLANCHETTE, ESQ., M.P. ..... To Minister of National Defence

JAMES SINCLAIR, ESQ., M.P. ..... To Minister of Finance

WM. M. BENIDICKSON, ESQ., M.P. ..... To Minister of Transport

J. G. L. LANGLOIS, ESQ., M.P. ..... To Postmaster General

JEAN LESAGE, ESQ., M.P. ..... To Secretary of State for External Affairs

R. O. CAMPNEY, ESQ., M.P. ..... To Minister of National Defence

E. A. MCCUSKER, ESQ., M.P. ..... To Minister of National Health and Welfare

J. H. DICKEY, ESQ., M.P. ..... To Minister of Defence Production

---

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

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

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

SENATORS OF CANADA

ACCORDING TO SENIORITY

FEBRUARY 28, 1952

THE HONOURABLE ÉLIE BEAUREGARD, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JAMES A. CALDER, P.C.	Saltcoats	Regina, Sask.
ARTHUR C. HARDY, P.C.	Leeds	Brockville, Ont.
WILLIAM ASHBURY BUCHANAN	Lethbridge	Lethbridge, Alta.
WILLIAM H. MCGUIRE	East York	Toronto, Ont.
DONAT RAYMOND	De la Vallière	Montreal, Que.
GUSTAVE LACASSE	Essex	Tecumseh, Ont.
CAIRINE R. WILSON	Rockcliffe	Ottawa, Ont.
JAMES H. KING, P.C.	Kootenay East	Victoria, B.C.
ARTHUR MARCOTTE	Ponteix	Ponteix, Sask.
WILLIAM HENRY DENNIS	Halifax	Halifax, N.S.
RALPH BYRON HORNER	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE	Rosetown	Rosetown, Sask.
FELIX P. QUINN	Bedford-Halifax	Bedford, N.S.
IVA CAMPBELL FALLIS	Peterborough	Peterborough, Ont.
JOHN T. HAIG	Winnipeg	Winnipeg, Man.
WILLIAM DUFF	Lunenburg	Lunenburg, N.S.
JOHN W. DE B. FARRIS	Vancouver South	Vancouver, B.C.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
J. FERNAND FAFARD	De la Durantaye	L'Islet, Que.
ARTHUR LUCIEN BEAUBIEN	Provencher	St. Jean Baptiste, Man.
JOHN J. STEVENSON	Prince Albert	Prince Albert, Sask.
ARISTIDE BLAIS	St. Albert	Edmonton, Alta.
DONALD MACLENNAN	Margaree Forks	Port Hawkesbury, N.S.
CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ÉLIE BEAUREGARD (Speaker)	Rougemont	Montreal, Que.
ATHANASE DAVID	Sorel	Montreal, Que.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William, Ont.
WILLIAM JAMES HUSHION	Victoria	Westmount, Que.
JOSEPH JAMES DUFFUS	Peterborough West	Peterborough, Ont.
WILLIAM DAUM EULER, P.C.	Waterloo	Kitchener, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.	De Lorimier	Outremont, Que.
PAMPHILE RÉAL DUTREMBLAY	Repentigny	Montreal, Que.
WILLIAM RUPERT DAVIES	Kingston	Kingston, Ont.
JAMES PETER MCINTYRE	Mount Stewart	Mount Stewart, P.E.I.
GORDON PETER CAMPBELL	Toronto	Toronto, Ont.
WISHART MCL. ROBERTSON, P.C.	Shelburne	Bedford, N.S.
TÉLESPHORE DAMIEN BOUCHARD	The Laurentides	St. Hyacinthe, Que.
ARMAND DAIGLE	Mille Iles	Montreal, Que.
CYRILLE VAILLANCOURT	Kennebec	Levis, Que.
JACOB NICOL	Bedford	Sherbrooke, Que.
THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg, Man.
WILLIAM HORACE TAYLOR	Norfolk	Scotland, Ont.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
JOHN POWER HOWDEN	St. Boniface	Norwood Grove, Man.
VINCENT DUPUIS	Rigaud	Longueuil, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queen's-Lunenburg	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT	Gloucester	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
JOHN ALEXANDER MCDONALD	King's	Halifax, N.S.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
FREDERICK W. PIRIE	Victoria-Carleton	Grand Falls, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland	South Nelson, N.B.
JEAN MARIE DESSUREAULT	Stadacona	Quebec, Que.
JOSEPH RAOUL HURTUBISE	Nipissing	Sudbury, Ont.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWARD MCKEEN	Vancouver	Vancouver, B.C.
THOMAS FARQUHAR	Algoma	Little Current, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JOSEPH WILLIE COMEAU	Clare	Comeauville, N.S.
GEORGE HENRY ROSS	Calgary	Calgary, Alta.
JAMES GORDON FOGO	Carleton	Ottawa, Ont.
JOHN CASWELL DAVIS	Winnipeg	St. Boniface, Man.
THOMAS H. WOOD	Regina	Regina, Sask.
JAMES ANGUS MACKINNON, P.C.	Edmonton	Edmonton, Alta.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
HENRY READ EMMERSON	Dorchester	Dorchester, N.B.
J. J. HAYES DOONE	Charlotte	Black's Harbour, N.B.
JOSEPH ADÉLARD GODBOUT	Montarville	Frelighsburg, Que.
WILLIAM ALEXANDER FRASER	Trenton	Trenton, Ont.
WILLIAM HENRY GOLDING	Huron-Perth	Seaforth, Ont.
GEORGE H. BARBOUR	Prince	Charlottetown, P.E.I.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
RAY PETTEN	Bonavista	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.
VINCENT P. BURKE	St. Jacques	St. John's, Nfld.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
CHARLES G. HAWKINS	Milford-Hants	Milford Station, N.S.
HERMAN W. QUINTON*	Burgeo-La Poile	St. John's, Nfld.
CALVERT C. PRATT	St. John's West	St. John's, Nfld.
MICHAEL BASHA	West Coast	Curling, Nfld.

* *Deceased, April 2, 1952.*

SENATORS OF CANADA

ALPHABETICAL LIST

FEBRUARY 28, 1952

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, W. M.	Rosetown	Rosetown, Sask.
BAIRD, ALEXANDER BOYD	St. John's	St. John's, Nfld.
BARBOUR, GEORGE H.	Prince	Charlottetown, P.E.I.
BASHA, MICHAEL	West Coast	Curling, Nfld.
BEAUBIEN, A. L.	Provencher	St. Jean Baptiste, Man.
BEAUREGARD, ELIE (Speaker)	Rougemont	Montreal, Que.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BOUCHARD, TELESPHORE DAMIEN	The Laurentides	St. Hyacinthe, Que.
BOUFFARD, PAUL HENRI	Grandville	Quebec, Que.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BURCHILL, GEORGE PERCIVAL	Northumberland	South Nelson, N.B.
BURKE, VINCENT P.	St. Jacques	St. John's, Nfld.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CAMPBELL, G. P.	Toronto	Toronto, Ont.
COMEAU, JOSEPH WILLIE	Clare	Comeauville, N.S.
CRERAR, THOMAS ALEXANDER, P.C.	Churchill	Winnipeg, Man.
DAIGLE, ARMAND	Mille Isles	Montreal, Que.
DAVID, ATHANASE	Sorel	Montreal, Que.
DAVIES, WILLIAM RUPERT	Kingston	Kingston, Ont.
DAVIS, JOHN CASWELL	Winnipeg	St. Boniface, Man.
DENNIS, W. H.	Halifax	Halifax, N.S.
DESSUREAULT, JEAN MARIE	Stadacona	Quebec, P.Q.
DOONE, J. J. HAYES	Charlotte	Black's Harbour, N.B.
DUFF, WILLIAM	Lunenburg	Lunenburg, N.S.
DUFFUS, J. J.	Peterborough West	Peterborough, Ont.
DUPUIS, VINCENT	Rigaud	Longueuil, P.Q.

55708—2

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUTREMBLAY, PAMPHILE RÉAL	Repentigny	Montreal, Que.
EMMERSON, HENRY READ	Dorchester	Dorchester, N.B.
EULER, W. D., P.C.	Waterloo	Kitchener, Ont.
FAFARD, J. F.	De la Durantaye	L'Islet, Que.
FALLIS, IVA CAMPBELL	Peterborough	Peterborough, Ont.
FARQUHAR, THOMAS	Algoma	Little Current, Ont.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FOGO, JAMES GORDON	Carleton	Ottawa, Ont.
FRASER, WILLIAM ALEXANDER	Trenton	Trenton, Ont.
GERSHAW, FRED WILLIAM	Medicine Hat	Medicine Hat, Alta.
GODBOUT, JOSEPH ADÉLARD	Montarville	Frelighsburg, Que.
GOLDING, WILLIAM HENRY	Huron-Perth	Seaforth, Ont.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GRANT, THOMAS VINCENT	Montague	Montague, P.E.I.
HAIG, JOHN T.	Winnipeg	Winnipeg, Man.
HARDY, A. C., P.C.	Leeds	Brockville, Ont.
HAWKINS, CHARLES G.	Milford-Hants	Milford Station, N.S.
HAYDEN, S. A.	Toronto	Toronto, Ont.
HORNER, R. B.	Blaine Lake	Blaine Lake, Sask.
HOWARD, C. B.	Wellington	Sherbrooke, Que.
HOWDEN, JOHN POWER	St. Boniface	Norwood Grove, Man.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
HURTUBISE, JOSEPH RAOUL	Nipissing	Sudbury, Ont.
HUSHION, W. J.	Victoria	Westmount, Que.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
KING, J. H., P.C.	Kootenay, East	Victoria, B.C.
KINLEY, JOHN JAMES	Queen's-Lunenburg	Lunenburg, N.S.
LACASSE, G.	Essex	Tecumseh, Ont.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
MACKINNON, JAMES ANGUS, P.C.	Edmonton	Edmonton, Alta.
MACLENNAN, DONALD	Margaree Forks	Port Hawkesrury, N.S.
MARCOTTE, A.	Ponteix	Ponteix, Sask.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McDONALD, JOHN ALEXANDER	King's	Halifax, N.S.
McGUIRE, W. H	East York	Toronto, Ont.
McINTYRE, JAMES P	Mount Stewart	Mount Stewart, P.E.I.
McKEEN, STANLEY STEWART	Vancouver	Vancouver, B.C.
McLEAN, ALEXANDER NEIL	Southern New Brunswick	Saint John, N.B.
NICOL, JACOB	Bedford	Sherbrooke, Que.
PATERSON, N. McL	Thunder Bay	Fort William, Ont.
PETTEN, RAY	Bonavista	St. John's, Nfld.
PIRIE, FREDERICK W	Victoria Carleton	Grand Falls, N.B.
PRATT, C. CALVERT	St. John's West	St. John's, Nfld.
QUINN, FELIX P	Bedford-Halifax	Bedford, N.S.
QUINTON, HERMAN W*	Burgeo-La Poile	St. John's, Nfld.
RAYMOND, D	De la Vallière	Montreal, Que.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROBERTSON, W. McL., P.C	Shelburne	Bedford, N.S.
ROEBUCK, ARTHUR WENTWORTH	Toronto-Trinity	Toronto, Ont.
ROSS, GEORGE HENRY	Calgary	Calgary, Alta.
STAMBAUGH, J. WESLEY	Bruce	Bruce, Alta.
STEVENSON, J. J	Prince Albert	Prince Albert, Sask.
TAYLOR, WILLIAM HORACE	Norfolk	Scotland, Ont.
TURGEON, JAMES GRAY	Cariboo	Vancouver, B.C.
VAILLANCOURT, CYRILLE	Kennebec	Levis, Que.
VENIOT, CLARENCE JOSEPH	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C	De Lorimier	Outremont, Que.
WILSON, CAIRINE R	Rockcliffe	Ottawa, Ont.
WOOD, THOMAS H	Regina	Regina, Sask.

* *Deceased, April 2, 1952.*

SENATORS OF CANADA

BY PROVINCES

FEBRUARY 28, 1952

ONTARIO—24

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

QUEBEC—24

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

NOVA SCOTIA—10

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

NEW BRUNSWICK—10

	THE HONOURABLE	
1	CLARENCE JOSEPH VENIOT	Bathurst.
2	ALEXANDER NEIL MCLEAN	Saint John.
3	FREDERICK W. PIRIE	Grand Falls.
4	GEORGE PERCIVAL BURCHILL	South Nelson.
5	HENRY READ EMMERSON	Dorchester.
6	J. J. HAYES DOONE	Black's Harbour.
7		
8		
9		
10		

PRINCE EDWARD ISLAND—4

	THE HONOURABLE	
1	JAMES PETER MCINTYRE	Mount Stewart.
2	THOMAS VINCENT GRANT	Montague.
3	GEORGE H. BARBOUR	Charlottetown.
4		

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

THE HONOURABLE	
1 JAMES A. CALDER, P.C.	Regina.
2 ARTHUR MARCOTTE	Ponteix.
3 RALPH B. HORNER	Blaine Lake.
4 WALTER M. ASELTINE	Rosetown.
5 J. J. STEVENSON	Prince Albert.
6 THOMAS H. WOOD	Regina.

ALBERTA—6

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

NEWFOUNDLAND—6

	SENATORS	POST OFFICE ADDRESS
	THE HONOURABLE	
1	ALEXANDER BOYD BAIRD	St. John's.
2	RAY PETTEN	St. John's.
3	VINCENT P. BURKE	St. John's.
4	HERMAN W. QUINTON*	St. John's.
5	CALVERT C. PRATT	St. John's.
6	MICHAEL BASHA	Curling.

* *Deceased, April 2, 1952.*

PRINCIPAL OFFICERS OF THE SENATE

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

John F. MacNeill, Q.C., LL.B., B.A., Law Clerk and Parliamentary Counsel.

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

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

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

Harvey Armstrong, Chief Clerk of Committees.

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

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, February 28, 1952

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

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

OPENING OF THE SESSION

The Hon. the Speaker informed the Senate that he had received a communication from the Governor General's Secretary informing him that His Excellency the Right Honourable Vincent Massey, C.H., having this morning been sworn in as Governor General of Canada, would arrive at the main entrance of the Houses of Parliament at 3 p.m., and, when it had been signified that all was in readiness, would proceed to the Senate Chamber to open the Sixth Session of the Twenty-first Parliament of Canada.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At three o'clock His Excellency the Governor General proceeded to the Senate Chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and that House being come, with their Speaker, His Excellency was pleased to open the Sixth Session of the Twenty-first Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I meet you at a time when the people of Canada, in common with the other peoples of the commonwealth, mourn the loss of our late sovereign, King George VI. His late Majesty was greatly loved by all his subjects in Canada who have vivid recollections of His visit to this country and of His many associations with his Canadian people. In no part of the commonwealth has the sense of personal loss been more deeply felt than in our country. I join with you in extending deepest sympathy in their bereavement to Her Majesty the Queen, to Queen Elizabeth the Queen Mother, to Queen Mary, to Princess Margaret and all the members of the Royal Family.

The people of Canada have already had an opportunity of meeting their new sovereign. In the course of her visit to our country a few months ago Her Majesty made a deep and lasting impression on her Canadian subjects. As the Queen assumes her heavy responsibilities she is assured of the loyalty and devotion of the Canadian people in full measure.

I am deeply sensible of the great honour of having been appointed by His late Majesty as his personal representative in my native land. As I take up my duties as the representative of the Queen, I assure you of the pleasure with which I look forward to our association in Parliament and I deem it a privilege to be connected with you in your labours for the welfare and happiness of the Canadian people.

The situation throughout the world continues to cause concern and to require my ministers to devote a great deal of attention to our external affairs. The government remains convinced that the nations of the free world must continue to increase their combined strength, in order to ensure lasting peace and security by the effective discouragement of aggression.

In Korea it has not yet been possible to bring about an armistice, but negotiations with this end in view are still going on. Canadian forces together with their comrades from other of the United Nations are giving distinguished service in that unhappy land.

A formation from the Canadian army now forms an effective part of the integrated force of the north Atlantic alliance in Europe, and further elements of the Royal Canadian Air Force are progressively being despatched overseas. Amendments to legislation relating to our armed forces will be submitted for your approval.

Your approval will also be sought for a further Canadian contribution to the Colombo plan and for technical assistance to under-developed areas.

A Japanese peace treaty has been signed and will be submitted for your consideration.

At home our economy remains very buoyant. External trade and capital investment have reached record levels. Generally speaking employment remains at a high level. Inflationary pressures are still being strongly felt and require the maintenance of anti-inflationary measures.

Unfortunately, foot and mouth disease has appeared in cattle in a small area in Saskatchewan. Immediate steps have been taken to limit the affected area, eradicate the disease and meet the situation resulting from the embargo under United States law on exports of live stock and meat to that country.

A board of engineers has been established to prepare an application for submission to the International Joint Commission concerning the development of hydro-electric power in the international section of the St. Lawrence river.

As a measure designed to assist in the development of our natural resources you will be asked to consider legislation to enable the Canadian National Railways to construct a branch line between Terrace and Kitimat in British Columbia.

You will be asked to consider legislation to amend the War Veterans Allowance Act, 1946, and the Veterans Benefit Act, 1951.

A bill to revise the Immigration Act will be placed before you. If that bill can be finally dealt with during the present session, related amendments to the Canadian Citizenship Act will be submitted.

You will be asked to approve a bill to authorize the federal government to enter into new tax rental agreements with the provinces.

You will be invited to consider a measure to provide for the readjustment of representation in the House of Commons.

You will be asked to consider a complete revision of the criminal code prepared by a commission which has been engaged on this project for the past three years.

A bill will be introduced to authorize certain preparatory steps in connection with the establishment of a national library.

A bill will also be presented respecting trade marks.

Other measures to be introduced will be amendments to the Food and Drugs Act; the Canada Grain Act; the Cold Storage Act; the Canadian Farm Loan Act; the Civil Service Superannuation Act; the Currency Act; the Canada Shipping Act; the Northwest Territories Act; the Aeronautics Act; the Radio Act; the Government Employees Compensation Act, 1947, and the Unemployment Insurance Act, 1940.

Members of the House of Commons:

You will be asked to make provision for all essential services, and for national defence and the meeting of our obligations under the United Nations charter and the North Atlantic treaty, for the next fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence bless your deliberations.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

Prayers.

ADDRESSES TO THEIR MAJESTIES

NOTICE OF MOTION

Hon. Mr. Hugessen: Honourable senators, on behalf of the leader of the government (Hon. Mr. Robertson), I wish to give notice that on Tuesday next he will move that an humble address be presented to Her Majesty the Queen, and that a message of condolence be sent to Her Majesty Elizabeth the Queen Mother.

RAILWAY BILL

FIRST READING

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

The bill was read the first time.

COMMITTEE ON ORDERS AND PRIVILEGES

MOTION OF APPOINTMENT

Hon. Mr. Hugessen (for Hon. Mr. Robertson) moved, with leave:

That all the senators present during this session be appointed a committee to consider the orders and customs of the Senate and privileges of parliament, and that the said committee have leave to meet in the Senate Chamber when and as often as they please.

The motion was agreed to.

SPEECH FROM THE THRONE

MOTION FOR CONSIDERATION

Hon. Mr. Hugessen (for Hon. Mr. Robertson) moved that the Speech of His Excellency the Governor General be taken into consideration on Wednesday next.

The motion was agreed to.

COMMITTEE OF SELECTION

MOTION OF APPOINTMENT

Hon. Mr. Hugessen (for Hon. Mr. Robertson) moved, with leave:

That pursuant to Rule 77 the following senators, to wit: the Honourable Senators Aseltine, Beaubien, Gouin, Haig, McDonald, Quinn, Robertson, Taylor and the mover be appointed a Committee of Selection to nominate senators to serve on the several Standing Committees during the present session; and to report with all convenient speed the names of the senators so nominated.

The motion was agreed to.

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

THE SENATE

Tuesday, March 4, 1952

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

Prayers and routine proceedings.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. J. A. McDonald presented the report of the Committee of Selection.

The Report was read by the Clerk Assistant as follows:

The Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session, have the honour to report herewith the following list of senators selected by them to serve on the Standing Committees on Divorce and Natural Resources, namely:

DIVORCE

The Honourable Senators Aseltine, Baird, Campbell, Euler, Farris, Fogo, Gershaw, Golding, (x)Haig, Horner, Howard, Howden, Hugessen, Kinley, (x)Robertson, Roebuck, Ross and Stevenson. (16). (x)Ex officio member.

NATURAL RESOURCES

The Honourable Senators Aseltine, Barbour, Basha, Beaubien, Bouffard, Burchill, Comeau, Crerar, Davies, Dessureault, Duffus, Dupuis, Farquhar, Fraser, (x)Haig, Hawkins, Hayden, Horner, Hurtubise, Kinley, MacKinnon, McDonald, McIntyre, McKeen, McLean, Nicol, Paterson, Petten, Pirie, (x)Robertson, Raymond, Ross, Stambaugh, Stevenson, Taylor, Turgeon, Vaillancourt and Wood. (36). (x)Ex officio member.

Honourable senators, the purpose of the appointment at this time of members to these two committees is to allow the Divorce Committee to begin its work soon, and to organize the Natural Resources Committee, so that a measure which is now being considered in the other place may be referred to it. I would point out that the honourable leaders on both sides of the house have been appointed members *ex officio* of these committees.

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

Hon. Mr. Robertson: Honourable senators, it has been the custom to let the report of this committee stand for a day in order that it may be printed and then considered. As the Chairman of the Committee of Selection has said, for lack of time we did not undertake to strike the other committees, but we were anxious to have the Divorce Committee set up so that it could immediately consider its program, and in view of the possibility that the Senate might wish to refer to the Natural Resources Committee legislation which may come before us, it was thought desirable to have that committee in being. I do not know that there is so much urgency as to require action this evening, but we could deal with the motion now if that course is agreeable to the honourable the acting leader of the opposition (Hon. Mr. Aseltine) and to other honourable members.

Hon. Mr. Aseltine: Put the motion now.

Hon. Mr. Robertson: With leave, I move that the report be now concurred in.

The motion was agreed to.

MOTION OF APPOINTMENT

Hon. Mr. Robertson: Honourable senators, with leave of the Senate I move:

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

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, in order to follow a precedent set the last time a reigning British sovereign died, I suggest that we confine ourselves this evening to the disposal of the two motions which appear on our Order Paper. Tomorrow we can proceed with the speeches by the mover and seconder of the Address in reply to the Speech from the Throne. On Thursday, the Senate can pay tribute to the memory of our two late colleagues, and consider certain legislation now before the other house, which in all probability will be sent to us between now and Thursday.

I also want to suggest to honourable senators that between now and Easter, which is about six weeks hence, the Senate sit on Tuesday nights and Wednesday and Thursday afternoons, unless from time to time it is deemed advisable to do otherwise. This will give the Divorce Committee, or any other committee that may be sitting, ample opportunity to concentrate on its work in the early and latter parts of the week.

THE LATE KING GEORGE VI

ADDRESS OF SYMPATHY AND LOYALTY TO HER MAJESTY QUEEN ELIZABETH II—MESSAGE OF CONDOLENCE TO HER MAJESTY THE QUEEN MOTHER

Hon. Wishart McL. Robertson: Honourable senators, I move, seconded by the Honourable the acting leader opposite (Hon. Mr. Aseltine):

Resolved, That an Humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's dutiful and loyal subjects the Senate of Canada, in Parliament assembled, respectfully desire to express our deep sympathy to Your

Majesty in the great loss you have sustained by the death of the late King, Your Majesty's beloved father.

Your Majesty's sorrow and that of the Royal Family is shared in a personal way by the people of Canada, whose representatives we are. King George VI was a great king and a good man. By his devotion to duty, his high courage, his example as a husband and a father, and his concern for the welfare of those he ruled, he greatly endeared himself to his Canadian subjects. We will not forget the occasion when, accompanied by your beloved mother he visited our country, nor will Canadians forget the many happy associations established in the course of his reign over us. In common with all the peoples of the commonwealth, we shall ever deeply cherish his memory.

We welcome Your Majesty's accession to the Throne and we desire to convey to you a sincere expression of our loyalty and devotion. When Your Majesty, accompanied by your husband, visited us a few months ago, you left a deep and lasting impression upon the Canadian people. We are convinced that Your Majesty will ever seek to promote the happiness and well-being of all your subjects. As members of the Parliament of Canada, it is our desire and determination to uphold and support Your Majesty to the utmost of our authority and wisdom, and it is our prayer that Divine Providence will sustain Your Majesty in the discharge of your heavy responsibilities.

Honourable senators, I would also move, seconded by the Honourable the acting leader opposite, the following resolution:

Resolved, That a message of condolence be sent to Her Majesty Queen Elizabeth the Queen Mother in the following words:

Your Gracious Majesty:

We, the Senate of Canada, in parliament assembled, respectfully beg leave to tender to Your Majesty our heartfelt sympathy in your great sorrow and bereavement. We share Your Majesty's grief and loss in the passing of our late sovereign, King George VI, who was greatly beloved by all his subjects.

We pray that, at this time, Your Majesty may be comforted and sustained by the remembrance of what your loving companionship meant to the late king throughout his life and reign; by memories of service shared; and by the sympathy and love that everywhere surrounds Your Majesty in your great sorrow.

Honourable senators, I am sure that it would be the unanimous wish of honourable senators that we should take this the first opportunity of formally recording our deep sorrow at the passing of our beloved sovereign King George VI, of expressing our deepest sympathy to Her Majesty Queen Elizabeth II, Her Majesty the Queen Mother and the members of the Royal Family, in the grievous loss which they have just sustained, and of conveying to our young Queen, as she assumes the great responsibilities incidental to her high office, our sincerest expressions of loyalty and devotion.

Down through the centuries the cry of the heralds "The King is dead! Long live the King!" has epitomized the nation's regret and sorrow at the passing of a sovereign, coupled with good wishes and fervent hopes for the future. At no time has it been more applicable than at present, for our late sovereign, through his qualities of mind and heart, endeared himself to his subjects to an exceptional degree; and as our young Queen ascends the throne a flood of emotion is unloosed, striking the imagination and stirring the hearts of countless millions of her subjects, who in varied and divers manners owe her constitutional or spontaneous allegiance.

Under our constitutional procedure the Crown exercises a profound influence on the minds and hearts of all. Should the sovereign possess great qualities of mind and tact, as did our late sovereign, he may exercise a far greater influence on matters of state than most of us are given to realize. But it is, I believe, the qualities of heart that exercise the greatest influence. We still remember the pride we felt when, during the last war, King George VI, urged to seek safety elsewhere when death and destruction were raining from the skies, elected to stay with his people, sharing their fears, griefs, and dangers. We were proud of his private life, when, surrounded by his family, he gave an example of all that is best in family life. Though he walked with kings, he did not lose the common touch. An African chieftain, on meeting him, exclaimed: "Other white men talk to me as a coloured man; you talk to me as a white man."

And lastly, he possessed a deep religious conviction, in troubled times ever turning to the Almighty for consolation and support. It is said that when he suddenly found himself confronted with the responsibility of kingship, he went alone to one of Britain's historic chapels and there on bended knee prayed for strength and guidance.

Some time during the dark hours of the evening of February 5 and the early morning of February 6 his soul passed to his Maker. It is not given to us to know whether during those dark hours he slept peacefully on, or whether for a brief moment he may have regained consciousness. In any event there comes back to our minds a quotation he used in his Christmas message to his people during Britain's darkest hours:

And I said to the man who stood at the gate of the year, "Give me a light that I may tread safely into the unknown."

And he replied,

"Go out into the darkness and put your hand into the Hand of God. That shall be to you better than a light and safer than a known way."

So I went forth, and finding the Hand of God, trod gladly into the unknown.

A few days later a million people stood silently to witness the funeral procession through London, the stillness broken only by the cadence of marching feet. In St. George's Chapel—at Windsor, the ancestral home of

English kings for 850 years—the young Queen scattered symbolic earth on the coffin as it was lowered into the crypt, and the king was laid to rest amid the tombs of his fathers. The life and times of George VI were English history, whose unending scroll will now record the story of Queen Elizabeth II.

The next day, the half-staffed flags were run up to full staff, and while custom decrees a period of mourning, the thoughts of all turned from the past to the future.

It is true to say that in these trying times in world affairs, all the peoples of the Commonwealth, and indeed of the world itself, have much to hope for. But in no part of the Commonwealth are minds of men turned as eagerly in search of a portent of better times as in the United Kingdom—those sea-girt islands of the North Atlantic.

It is difficult for us who live in this blessed land, so far removed from the direct and indirect effects of war, to realize the flood of emotions let loose by the accession of a queen to the throne, for another of those rare occasions in the long history of Britain. With ourselves, the people of the United Kingdom welcomed the relief that accompanied the end of hostilities in 1945. But their elation at the relief from the terror that rained from the skies was quickly followed by the grim realization that such had been their sacrifice of blood and treasure that years must elapse as they slowly and steadily climbed back to normal times. Then, as happier times seemed almost within reach, came Korea and the realization that again the hands of the economic clock were to be pushed back, perhaps for the lifetime of most of those then living. What more natural for a people steeped in the tradition of a long and glorious past than to let their minds turn back to the reign of the first Elizabeth, when danger of invasion was ended for generations to come, and to the times of Victoria, who ascended the throne during a period of great economic distress, but during whose reign their developed a period of fabulous growth and development of everything that contributes to the welfare and happiness of mankind. Surely it is easy to realise the readiness of those who are searching the skies for a sign, to hail the accession to the throne of Elizabeth II as a portent of happier times.

Apart altogether from this hope, there is the additional factor that in the person of our new sovereign there is much to give promise that she will worthily follow the long line of her distinguished predecessors. Schooled in the tradition of royalty, to the high office she has assumed, she brings in abundant degree all of those characteristics that endeared her late father to his subjects. That she is destined to exercise a profound influence upon all her subjects in the Commonwealth, we who have so recently seen her will be the first to agree. We will not soon forget the stirring pledge she made on her twenty-first birthday, when she said: "I declare before you all that my whole life shall be devoted to your service and the service of our great Imperial family, to which we all belong." To the Accession Council she affirmed that she would always work, as her father did throughout his reign, to uphold constitutional government and advance the happiness and prosperity of her peoples. These are the words of one fully conscious not merely of her destiny, but of the great and heavy responsibilities accompanying it.

But who can tell what influence for good she may be able to exercise far beyond the borders of the Commonwealth? No one could fail to be impressed by the reception she received from the peoples of the great republic to the south, during her all-too-brief visit there. The spontaneous and genuine kindliness of her reception by a people, the majority of whom are kinsmen of her own people, reminds one of the exclamation of the American poet Whittier in reference to Queen Victoria: "We bow the heart, if not the knee, to England's Queen; God bless her."

It is not given to us to be able to peer very far into the future, but we can express to Her Majesty our loyalty and devotion, and assure her that it is our desire and determination to uphold her and support her to the utmost of our authority and wisdom, and pray that Divine Providence will sustain her in the discharge of her great responsibilities.

Perhaps we too in this portion of the Commonwealth may be pardoned if we as well hope that the accession to the throne of Elizabeth II is a sign that in due course swords will be beaten into ploughshares and the rivalry of nations will be confined to their efforts in raising the standard of welfare and happiness of their respective peoples. Pray God it may be so!

And so we join with the heralds of the past in proclaiming "The King is dead! Long live the Queen!"

Hon. W. M. Aseltine: My remarks, honourable senators, will be brief. The leader of the government has given us a very interesting resumé of what took place during the reign of our late King; and with the sentiments he has expressed this evening I think all members of the Senate entirely agree.

These two motions, the first being an address of sympathy with and of loyalty to

Her Majesty Queen Elizabeth and the second, a message of condolence to Her Majesty the Queen Mother, are in my opinion most fitting at this time, for it is entirely proper that the Senate of Canada should deal with them before it settles down to the ordinary business of the country.

I feel honoured in being requested, as acting leader of Her Majesty's Loyal Opposition in this chamber, to second the two motions, and, I believe they will receive the wholehearted support of every honourable senator.

The one motion, as has been stated, expresses our sympathy and our loyalty and affection for our new Queen, and holds out hope for the well-being of the Commonwealth and the rest of the world in the years that lie ahead.

The other motion expresses our sympathy, our love and affection for the Queen Mother, who so faithfully assisted our late King George VI in the performance of his arduous duties, and without whose loyal help and affection his late Majesty could not have carried on the great work he did for the Commonwealth and the world at large.

On the morning of February 6, 1952, the whole world woke with a shock. Our beloved monarch had passed to the Great Beyond. The shock was the greater because his death was, I think, entirely unexpected by most people. His Majesty appeared to be quite well the day before, and had even been out shooting in the afternoon. No one, I suppose, looked for his early demise. Of course we all knew that recently he had been very ill and had undergone a severe operation, but we had been led to believe that he had made a good recovery.

I was on the train coming into Saskatoon from Vancouver on the morning of the 6th of February, when the news broke. Immediately a pall of sadness fell over all the passengers in the train, and grief was very evident at the depot when we arrived, and everywhere in the city of Saskatoon. The same reaction, I understand, was general in the United States of America. My colleague the honourable senator from Blaine Lake (Hon. Mr. Horner), who was in California at the time, reported to me that upon the news of the King's death the whole of that state went into mourning: flags flew at half-mast; the newspapers carried extensive articles on the life of the late King and the present Queen, and the people were in every respect very sympathetic. We have since learned that what happened in California was similar to what happened in most of the States of the American Union.

We are reminded, honourable senators, of the visit to this country of the King and Queen in the year 1939, just prior to the second world war. Upon that visit many of us who are present in this chamber this evening were introduced to His Majesty, shook hands with him, and attended many of the functions which were held in this city and throughout Canada; and we grew to love and respect our King in the highest degree. We were also fascinated by the beauty and the personality of his gracious Queen. Perhaps because of that visit to our country of our late King, and his Queen Elizabeth, we feel more deeply the fact that he has passed out of this world, that we shall see him no more.

We are also reminded of the visit in 1951 of the Princess Elizabeth and the Duke of Edinburgh. The impression made by Her Royal Highness and by her consort on that visit was, in my opinion, rather wonderful. At that time none of us could foresee that the then Princess Elizabeth would so soon become our Queen, though most of us had a foreboding that the event would not be very long delayed. We knew that the King had been seriously ill, and I for one was of the opinion that before many years the Princess Elizabeth would become Elizabeth II.

Our gracious Queen is a very young woman. We pray that she may be instrumental in bringing peace to a troubled world, and that her reign will be long and glorious.

I have much pleasure in seconding both motions.

Hon. P. H. Bouffard *(Translation)*: Honourable senators, in a country such as ours, where so many different elements contribute to the formation of a single national sentiment, nothing is more significant than the grief which the whole Canadian people felt at the passing of their Sovereign, King George VI, together with the unanimous satisfaction which they experienced at the accession to the throne of our gracious Princess Elizabeth.

My colleagues will not be offended if I say that on that occasion Canadians of French origin were among those who showed the deepest attachment to the British crown, and they will readily understand my desire to bear testimony to that fact in the language of these, the first Canadians, a language which the Royal Family speaks fluently and impeccably.

So that you may grasp more clearly the high degree of loyalty of French Canadians towards the throne, may I be permitted to recall the evening of May 16, 1939, when a powerful ocean liner, the Empress of Australia, escorted by two British cruisers and two Canadian destroyers, and having aboard Their Majesties King George VI and Queen Elizabeth dropped anchor off the Isle of Orleans. I speak as an eye-witness. Bon-

fires lit up both sides of the river, and by order of His Eminence Cardinal Villeneuve church bells pealed a joyous welcome. Notwithstanding the lateness of the hour, the people remained massed on both sides of the river, awaiting the arrival of the royal ship. The cheers were so loud and enthusiastic that Their Majesties admitted the next day that they had been deeply moved.

Never had the old city of Champlain been so profusely decorated. Flags and streamers covered the most humble dwellings. On the morning of May 17, men, women and children formed a massive and unbroken chain all along the route Their Majesties were to follow. On their passage, ardent ovations succeeded one another from one street to the next. That is how Quebec greeted the first reigning sovereign to set foot on our soil.

If I have lingered on that unforgettable manifestation, it is because it reflects faithfully the feeling which has gradually become deep-rooted on the rock where the destiny of our country first started to develop.

During the difficult years which were to be his lot the late King ever revealed himself more and more worthy of the respect and affection shown him. What tragic destiny was his, in truth. The most disastrous world war awaited George VI upon his return to his capital. His gallant armies, sent out to support France and Belgium, were thrown back to Dunkirk, under the blows of an enemy long prepared for inhuman warfare. His islands, so dearly beloved and having ties in every port of the world, were for months threatened by an invasion mercilessly prepared for by incessant bombings. At a time when stately buildings crumbled around him and when his own residence became a military objective, the King refused to leave his post. He faced death among his own people with a tranquil courage which impressed the whole world and increased the prestige of the crown. During several years, he had sorrowfully witnessed the death on the battlefields of the flower of his people. Following a victory won at such cost, fate ordained that the Empire over which he reigned, an empire which had grown through centuries of constant effort, should be subjected to one of those inevitable transformations which happen so suddenly, as though by contagion, in the history of great states and of the human race.

Before the quickened pace of events which seemed to shape a destiny, this most wise and worthy King, who carried without ostentation the title of Emperor, bowed with the submission of a well tempered spirit, and accepted in silence the lot which fell to him. It was this noble attitude which gave so much value to his life. It is not by his words that he will be remembered, but rather by his example, by his strength of character. He was able to stand adversity without bitterness.

George VI passes down into history as an essentially virtuous and sincerely religious man; one who had a deep family spirit, who was faithful to his state duties, even unto self denial, who was profoundly human in the exercise of kingship and humbly submissive to the decrees of a fathomless Providence. He has covered the most eminent post with glory because he never sought that glory for himself. The mystery of death found him fearless. As Winston Churchill so aptly expressed it: "He fell asleep like a man who lived in the fear of God and nothing else."

It is fitting that the Senate should render homage to a King who showed such moral fibre, whose whole life was a symbol of the qualities and virtues upon which rest the highest British traditions, and who in the ages to come will be offered as a model to constitutional sovereigns.

In recently favouring our country with a visit, a gracious Princess, accompanied by her husband the distinguished Duke of Edinburgh, allowed us to ascertain in the dignity of her bearing, in the generosity of her nature and the interest she takes in all classes of the community, the extent to which she has fallen heir to the great qualities of her lamented father. Her Majesty Elizabeth II, whom Canada is proud to have been the first country of the Commonwealth to recognize as its sovereign, grew up in a most sorely tried generation. She has experienced and understood the responsibilities of Royalty in connection with social, national and international problems. Such an experience went too deep not to exercise a constant influence upon her. Her mind is already impregnated and enriched by it.

History testifies that although the periods when the throne of England has been occupied by a Queen have not been without difficulty and trouble, they have also known days of particular glory. One only needs to recall the marvellous role played not so long ago by the admirable Queen Victoria, who gave such impetus in Great Britain to the development of the letters, arts and sciences as well as to the economic and commercial life of the country. It is to this line of women that Elizabeth II belongs, and she will no doubt hearken to the voice of her predecessors from the Great Beyond.

Therefore, it is with confidence that our hopes will come true that we extend to Her Majesty Elizabeth II the wish that she may have a long and useful reign, during which true peace will be achieved between nations,

while, under the aegis of the British crown, the peoples of the Commonwealth strive to establish in their respective fields the reign of social justice and respect for spiritual values.

(*Text*):

The resolutions were agreed to.

MOTION

Hon. Mr. Robertson moved:

That the Honourable the Speaker do sign the said Address to Her Most Excellent Majesty the Queen on behalf of the Senate, and that the said Address be presented to His Excellency the Governor General by the Honourable the Speaker of the Senate.

The motion was agreed to.

MOTION

Hon. Mr. Robertson moved:

That the Honourable the Speaker do sign the said message to Her Majesty Elizabeth the Queen Mother on behalf of the Senate, and that the said message be presented to His Excellency the Governor General by the Honourable the Speaker of the Senate.

The motion was agreed to.

Hon. Mr. Robertson: Perhaps honourable senators would like to take a more personal part in this tribute of sympathy and loyalty by standing together and singing "God Save the Queen".

The senators thereupon rose and sang "God Save the Queen".

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 5, 1952

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

Prayers and routine proceedings.

CANADA DAIRY PRODUCTS BILL

FIRST READING

Hon. Mr. Euler presented Bill B, an Act to amend The Canada Dairy Products Act.

The bill was read the first time.

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

Hon. Mr. Euler: At the next sitting.

CANADIAN PACIFIC RAILWAY FINANCING

RETURN TO ORDER

Hon. Mr. Robertson: Honourable senators, I now lay on the table a return to an Order of the Senate of November 13, 1951, answering questions of the honourable senator from Calgary (Hon. Mr. Ross).

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. J. P. Howden moved:

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

To His Excellency the Right Honourable Vincent Massey, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada.

May it Please Your Excellency:

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

He said: Honourable senators, being an old member of the Senate I know full well that it is against the rules for honourable senators to read speeches. I toyed briefly with the idea of discarding the text of my remarks, but that was only a pipe-dream, for I realized full well that I could not get on without the text—and more, that I would have to follow it pretty closely if I were to make my remarks sensible. So if it appears at times that I am speaking to the wall or reading to myself, you will know the reason why, and I hope you will make allowances.

I have not the remotest idea what circumstance has placed me before you today to move the Address in reply to the Speech from the Throne, but in the light of recent sad and sombre events one might well have wished for a happier task. Indeed, we at the capital, and more especially in this chamber, have of late had occasion for much regret. It commenced with the official farewell to Viscount Alexander and his gracious Lady. His Excellency's fame preceded him to Canada, and their coming was anticipated with much pleasure. Nor were Canadians disappointed, for the popularity of Lord Alexander and his family grew from the first day on. Now to our regret they were going away; many wished they might have stayed longer or might come amongst us again at a future time. We bade them good-bye officially on the night of February 5, and the next morning early we were stunned with the awful news of the death of our King.

This was no cause for mild regret. I believe that profound sorrow seized the whole British people, and that thousands and hundreds of thousands of people in all the Commonwealth mourned deeply and still do. A sincere conscientious, thoughtful person, gracious, kindly, humble and grand, the late King would, I believe, have been well content to pass on the Crown to another had he not felt it his sacred duty to take it up. Nor was it easy for him at that; it presented many problems—problems with which, perhaps, like Jacob of old, he often wrestled far into the night until, like Jacob, he too prevailed. He overcame, and to him that overcometh a crown of life shall be. I believe that no finer man than King George VI ever sat on the Throne of Great Britain. Our deep, kindly sympathy goes to his sorrowing wife, and to his mother and daughters, for surely no one in like circumstances was ever better loved or more deeply mourned than he.

Within the last few days two of our most warmly regarded senators have passed on. I believe the official eulogy has been delayed necessarily till a later date, but I feel that these remarks would be sadly lacking if no expression of appreciation were made at this time of the lives of these splendid men. Both were old men, both famous in their fields of endeavour.

Senator Thomas Bourque, from New Brunswick, appointed in 1917, was the senior member of the Senate. A physician and surgeon by profession, he held as well an M. A. degree, and had maintained a private semi-rural practice for nearly sixty years—no small task, I am sure. Our sympathy is with the bereaved family in the loss of this fine old gentleman.

Sir Allen Aylesworth was almost a centenarian, having been born in 1854. He

occupied third place in Senate seniority at the time of his death. A man of outstanding legal eminence, he was one of His Majesty's Commissioners for the settlement of the Alaskan Boundary in 1903. He was elected to parliament in 1905; became Postmaster General and Minister of Labour at once, and Minister of Justice in 1906. He retired from parliament with the defeat of the Laurier administration in 1911. He was created Knight in 1911, and summoned to the Senate in 1923. We shall miss this grand old man from this chamber, and will always think of him with pleasant, kindly remembrance.

Since the King's death, his elder daughter has become our Queen. Only a few short months ago, she with her young husband, paid us a joyful visit in all parts of Canada. Wherever they went they gladdened the hearts of Canadians—and they said that Canadians gladdened their hearts too. We all liked our young Princess and her dashing, stalwart young consort with a warmth of regard verging on love, and we now grieve with her in her deep sorrow in the loss of that fine man, her father. There shall never be any question of our loyalty to her. So long as she displays towards us the same kindly friendship that was in evidence during her visit with us, we will eagerly stand by her to the last ditch and to the last man.

This chamber was the scene of a great historical occasion a few days ago, when the first Canadian to hold that office was installed as Governor General. It was something of which I think we should all be proud. It is a sign of "growing up" and putting on the garments of nationhood. I think it is the idlest of talk to say that this constitutional departure, which every other nation in the commonwealth had previously made, tends in any way to weaken the ties with the Crown. It did not so do in Australia, New Zealand or South Africa, nor will it here. On the contrary, I feel the ties will be stronger and more intimate.

In the new Governor General we have a distinguished diplomat of wide experience, who knows full well the duties, privileges and prerogatives of his position. His choice met the ready approval of the late King who knew Mr. Massey well and was happy to confer upon him this exceptional eminence. When the time had come to have a Canadian Governor General, a better choice could not have been made.

The world situation continues to cause concern, to be sure, as stated in the Speech from the Throne, and well it may. The war in Korea alone has been raging for the past two and a half years, and we seem to be little nearer the finish than when we started. Thousands of fine young men on both sides of the conflict have been destroyed, and untold suffering has overtaken the people in the sphere of hostilities. And why? Is it because one nation seeks to force a false ideology upon the rest of the world? I think not, because already that nation of itself has forsaken that ideology. Is it because, as with Caesar and Alexander the Great, one nation seeks world conquest? Well, that may be, but there is another very potent force constantly at play. Maybe I am "sticking my neck out", but I believe that over-population has been the underlying irritant that has set the war gods going in most of our troubles in the last half century. Jealousy in an overcrowded South African republic started things frying there in 1899. Overcrowded Germany burst her bonds in 1914, and the same was true of Italy and Japan in 1939. I believe that we face the same thing today in Eastern Europe, but in a somewhat different way, perhaps. No doubt Eastern Europe is envious of the great American progress and the superiority of American industry, American machinery, American agriculture and American land. There seems to be nothing we can do about it—well, not much at present, but try our best to relieve the distress of starving Chinese, starving Indians, starving Japanese, and perhaps starving Russians. This will not help much, for still they come; but by painless and harmless means the birth-rate could be controlled, and when countries can furnish their own people with food there will be fewer wars. Prime Minister Nehru of India is reported to have said that birth control is the only solution for India's over-population.

Redistribution of seats in the House of Commons is not a matter of direct concern to this chamber. Nevertheless, the subject is of general interest and importance. It comes about every ten years, subsequent to the decennial census. In proportion to their gains or losses in population, the different provinces lose or gain seats in the House of Commons, and this necessitates some change in allotment. No difficulty should be experienced in applying in a fair and equitable manner the new unit of representation. I feel sure that will be done through the co-operation of all parties.

We will be asked to ratify the Japanese Peace Treaty. The more such treaties we have, the greater will be the prospective calm and stability in this much troubled world. It is true that Japan entered into the last war in an act of treachery, but she paid the price. She was completely vanquished. Against any resurgence of her militarism the treaty provides adequate safeguards. It may even well be that this

great nation may prove the strengthening bulwark against the fuller onset in the Orient of the curse of Communism.

The outbreak of foot-and-mouth disease in the West is a misfortune to the livestock producers of Canada, and indeed to the entire country. No one was intentionally to blame. Fortunately, veterinary science has progressed in keeping with medical science, and so we can hope for a complete and early extermination of this disease and the restoration of all trading in livestock, with a profitable American market.

We read in the Speech from the Throne that a portion of the Canadian Army now forms an effective part of the force of the North Atlantic alliance in Europe, and we are glad to learn that at the meeting just concluded at Lisbon on February 26 last, agreements were signed by the foreign and finance ministers of fourteen North Atlantic countries to arm Germany and put into force, in high gear, a massive western defence build-up. Blue prints were drawn for a master plan for defending the West against Communist aggression, for streamlining a non-military headquarters in Paris to work at the side of Supreme Military Command, and General Eisenhower is being provided with fifty divisions and 4,000 aircraft, which force is to be doubled in two years.

We are happy to note that in spite of wars and inflation, wet grain crops, an epidemic of foot-and-mouth disease which is a calamity of national importance—in spite of all these misfortunes, and probably some others that have not been numbered, our country enjoys a bountiful prosperity. Many nations in the world would be happy to share even a part of our good fortune. Industries are all busy, our national production and our national income have exceeded all records. In other words, Canada is in a financially sound position, and growing daily stronger and greater. A country that much less than a century since was but a colonial possession of Empire has now become an independent and equal member of the British Commonwealth of Nations; the senior nation after the United Kingdom, and about sixth in world importance. Our foremost men in industry, science, business, politics and national defence are seized of a fine spirit of loyal national service and surely we need have little fear for the future of our country.

Hon. L. M. Gouin (Translation): Honourable senators, it is a signal privilege for me to second the resolution which has just been so aptly proposed. My first remarks will be words of congratulation and of thanks, but also of regret. At the outset, I wish to thank my honourable friend, our devoted leader of the Senate, for having invited me, in his own name and on behalf of our most distinguished prime minister, to accept the task which I have the honour of fulfilling at the moment. I am thereby given the opportunity of expressing my approval of the text of the Speech from the Throne and of asking my colleagues to approve, at this time, the truly Canadian policy, the wise and enlightened policy of the government which is directed with such admirable ability by a great statesman, the Right Honourable Louis St. Laurent. I am pleased to corroborate the expression of confidence so happily formulated by our colleague who has just spoken. I wish to congratulate him most wholeheartedly.

I must now, without further delay, proffer words of condolence, for these are days of national mourning. Our beloved sovereign passed away last month. The King of Kings called him to His mercy. Our monarch, who was a deeply Christian man, was, in truth, for all his subjects, a marvellous example of courage, of kindness and of devotion to dcty. His life, which was so dignified and so well spent, will ever remain a source of inspiration and pride for all the members of the commonwealth. Very few men in the history of the world have left behind them such universal and heartfelt sorrow as His Majesty the late George VI. We will never forget the heroic role which he kept up so unflinchingly ever since the day when, as a naval officer, he took part in the victorious battle of Jutland. He showed his calm and simple heroism during the last war, when he remained with his people, in the very heart of London, notwithstanding the constant bombing of his capital city. He proved his noble and discreet heroism to the very end of the illness which was to tear him from our affection.

The memory of this very good man, the memory of George the Good will ever live on in our country, which in 1939 extended to him and to his charming wife a truly royal welcome.

Others before me have expressed, much better than I can, the condolences of our whole country to Her Majesty the Queen, to Elizabeth the Queen Mother, to Queen Mary, to the Princess Royal, and to all the members of the royal family. Most humbly, but most sincerely, I wish to add my own tribute of deepest sympathy.

Our constitutional monarchy is an admirable institution; it gives to our democracy the lustre of its own dignity and strengthens it by its own stability. Thanks to the Crown, our parliamentary system is assured of continuing uninterruptedly through thick

and thin: "The King is dead, long live the Queen!", such is the cry that rings out anew after many centuries.

(Text):

"The King is dead: Long live the Queen!" And so once more the silver trumpets blared fanfares for the Garter King-of-Arms as he stepped to a balcony of St. James's Palace, in ancient uniform, to proclaim that by the decease of our late Sovereign of blessed and glorious memory "the Crown is solely and rightfully come to the High and Mighty Princess Elizabeth Alexandra Mary."

And thus, the lords spiritual and temporal of the Realm, assisted by his late Majesty's Privy Counsellors, with representatives also of other members of the commonwealth, published through the Garter King-of-Arms and with one voice and consent of tongue and heart proclaimed Queen Elizabeth II, by the Grace of God, Queen of the Realm and all her other Realms and Territories as well as Head of the Commonwealth.

The proclamation, throughout the British Isles, and in many lands across the seas, adds rightly and justly that to our gracious Queen "we acknowledge all faith and constant obedience with hearty and humble affection, beseeching God, by whom all kings and queens do reign, to bless the Royal Princess Elizabeth II with long and happy years to reign over us. God save the Queen!"

Here in Canada, following the precedent created in 1936, Elizabeth II was described in the proclamation as "Supreme Liege Lady in and over Canada". These ancient terms which date back to feudalism prove how deeply we are attached to our century-old parliamentary traditions. Yes, we are anxious to remain forever faithful to our past, because it is for us a legacy of free institutions inherited from our forefathers.

But our respect for tradition is in no way opposed to progress. On the contrary, evolution and tradition have been harmoniously combined in the development of our Canadian Constitution. We have kept our ideals as a sacred inheritance, but from a Crown colony we have grown into a self-governing dominion, being granted in 1867 almost complete internal autonomy. Gradually we have become more and more masters in our own house; gradually also, we have obtained our sovereignty even in matters affecting our external relations. Since 1931, Canada has been an international power, a sovereign and independent state, forming part of the free and voluntary association now known as the Commonwealth. Let us remark here that in the royal proclamation issued by the United Kingdom Government, we find neither the word "Dominion" nor "Empire", and that the old style of "British Commonwealth" has been replaced by "Commonwealth". The most significant change consists in the expressions "Queen of this Realm and other Realms and territories, Head of the Commonwealth", which have been used for the first time in Great Britain. Thus, in the eyes of the United Kingdom, Canada has become a realm rather than a dominion. Thus has been fulfilled the wish of Sir John A. Macdonald, when he wanted our new-born federation to be called the "Kingdom of Canada". This further step on the road to independence proves very clearly that freedom is the cornerstone of our Commonwealth, in which all members are on a footing of absolute equality, and in which all partners enjoy the fullest measure of liberty. To the rigidity of a purely written constitution we have preferred the elasticity of our unwritten parliamentary conventions and usages. Our system of a wholly voluntary association has enabled India to become a republic, but to retain her membership in our perfectly free union of democratic nations. India, a republic, still accepts the Crown as the symbol of the unity of our Commonwealth. For this we find no precedent in all the history of mankind.

For this most recent development achieved in favour of our autonomy, the main merit is due to the very great Prime Minister who is now at the head of our country. The Right Honourable Louis St. Laurent played a conspicuous part at San Francisco in 1945. He was anxious to preserve for Canada, in the Charter of the United Nations, as large a measure of autonomy as possible. He had the heart also to secure a really efficient co-operation among all the members of the newly-created organization in order to maintain and, if necessary, restore peace. The double purpose of autonomy and co-operation seems constantly to have inspired our Prime Minister. Under his guidance amendments have been introduced into the British North America Act, to adjust its provisions to the changes created by conditions which could not possibly be foreseen in 1867. Several times, and in many different manners, Mr. St. Laurent has positively contributed to our constitutional progress. He has led us towards our complete sovereignty by causing legislation to be adopted to make our Supreme Court of Canada a really supreme and final court of appeal, and by taking steps to repatriate our constitution and evolve a purely Canadian machinery for future amendments. Finally, for the first time in the annals of our federation, thanks to Mr. St. Laurent and his colleagues, we have a Canadian as Governor General.

His Excellency the Right Honourable Vincent Massey was appointed as the personal representative of our late King. When I was in London, during the war, I was in a position to appreciate the high esteem in which our then High Commissioner was held in Great Britain. His devotion, his intelligence, his knowledge, his kindness, his perfect manners secured for him the respect, the admiration and the gratitude of all those who came in contact with our representative at Canada House. It is my privilege to have known our new Viceroy more than forty years ago, when he was a student at Baliol College, Oxford. He was reading history, and he intended to be a professor. But instead of writing or teaching history, our Governor General has made history. For the crowning of a very noteworthy career spent in the service of Canada, he occupies the highest position under our constitution; he represents directly Her Majesty. It is a great satisfaction for me to have witnessed this historic event: a Canadian at Government House.

The fact that none of our fellow citizens had ever been appointed to Rideau Hall was a source of misunderstanding for foreign writers. Surely, Canadians were not disfranchised forever from becoming eventually representative of the Crown in their own country. A day was bound to come when such a great honour would fall upon one of our own. This day has come, and I rejoice that I was able to see it. I am convinced that the immense majority of true Canadians share my satisfaction. For my own people and for myself, Canada is our only homeland, "notre seule et unique patrie"; our heart is not somewhere in the Old Country, it is entirely here in this Canadian land of ours. Our loyalty to Her Majesty the Queen of Canada is in no way diminished by our determined will to affirm more and more under her gracious reign our Canadian citizenship. Our partnership in the Commonwealth is a guarantee of our freedom, it is not a form of disguised vassalage. This word seems to us a thing of the past, because the states of the Commonwealth are all equal. Canada is not the vassal of any other power, politically or economically. When in matters of foreign policy we adopt to some extent the same attitude as Downing Street, it is not because constitutionally in external affairs our bonds with Great Britain remain tight. Such is the pretension, for instance, of Louis Le Fur. After making this assertion in his *International Law* (1941, p. 91), this late French jurist declares that our relations with the Crown were not in the nature of a personal union, that they constituted a much closer kind of union (p. 92).

Honourable senators, in fact, the ties which bind together the various parts of the Commonwealth are unique in political history. Those bonds have become absolutely intangible, and yet they are exceedingly strong: their living symbol is our gracious Queen, our Supreme Liege Lady. But, Le Fur was quite wrong if he intended to insinuate that Great Britain still possessed any right of suzerainty over the other States of the Commonwealth. That mistake was explicitly made by another author, Louis Delbez, (*International Law*, 1948, p. 43) when he called the "Dominions" "vassal states." According to Delbez, Great Britain preserved her pre-eminence, which is quite the pre-eminence of a suzerain State over vassal States.

Honourable senators, it is time that our friends in Europe realized that our links with the Commonwealth do not imply any bondage or vassalage. As a free and independent State, Canada is a member of the Commonwealth and also a member of the North Atlantic Treaty Organization. From our membership in such different groups no subordination whatever results for us; on the contrary, we find in that double association the surest guarantee for the preservation of our freedom and of our ways of life. Indeed, the only ties which now bind together the various members of the Commonwealth are purely moral bonds. Her Majesty the Queen of Canada is also the Queen of Australia and New Zealand; she is the only Head of our Commonwealth, and she is the incarnation of our unity. There is nothing in our partnership which may be interpreted in any way as a restriction to our liberty: we are at least as free as any other people on earth. It is, indeed, to render a great disservice to the Commonwealth to tell us that Canada should not do this or that because such gesture will weaken or disrupt the so-called Empire. This tends to develop a complex of inferiority, to insinuate that our relation to the Commonwealth is irreconcilable with our full sovereignty.

Those who are constantly opposed to our progress towards liberty and independence, those who are still afraid of every affirmation of our nationhood, profess a very strange kind of patriotism. They have not yet understood that it is great to be Canadians—just Canadians, without any trace of colonialism. Because his government has adopted a truly Canadian policy, the policy of a Canada which has attained maturity, the Prime Minister deserves our heartiest congratulations and our fullest support.

I am greatly honoured in seconding the adoption of the motion which is now before us.

Honourable senators, Canada has now attained its maturity. As an international power, our country is called upon to meet increasingly heavy obligations to maintain or restore peace and to ensure its own security. As mentioned in the speech from the throne, the nations of the free world must continue to increase their combined strength, for that seems to be the most effective way to deter aggression. To the Canadian troops fighting heroically in Korea, we owe not only our moral support, but also the reinforcements and additional equipment which may be required. In order to push back communist aggression in Korea and to defend our own country, in order to carry out our commitments under the United Nations Charter as well as under the North Atlantic Treaty, we will be called upon, during the present session, to approve expenditures amounting, it seems, to some two billion dollars. We will no doubt be shown the urgency of spending such enormous sums. This armaments race, however inevitable it may be, is threatening to bring taxes to an intolerable level. Such a situation hinders the development of our resources and may eventually prevent us from playing a greater part in the building up of underdeveloped countries. According to the speech from the throne, it is true, we will be asked to approve a further contribution to the Colombo plan. Even though our expenses are already so high, it is fitting that we should do our equitable share to help in this way the asiatic people. Such positive and beneficial action is likely to check the spread of communism. To prevent Asia from siding with Moscow, we must put a halt to famine and to the exploitation of the natives destitution: it is better to win hearts than to wage wars.

The more friends Canada will have among the nations of the world, the more chances for peace to be restored and maintained. Instead of destroying, let us seek to build, for even though we must prepare for war, we must not neglect to prepare for peace. Science has given us the atomic bomb, but it has also, thank heaven, furnished us with marvellous instruments of peaceful co-operation. Our international radio broadcasting service, for instance, is in a position to endear us to millions of foreign listeners. By means of the air waves, we can enter into the farthest lands, so that they may know and come to appreciate Canada, and so that we may win the confidence and affection of these far-off people. It is no mean task to secure such a capital of good will. Our prime minister has grasped both the importance and the difficulties of this problem. In order to reorganize the international radio-broadcasting service of the C.B.C., he has deemed it necessary to call upon one of our most prominent diplomats one whose career has been an uninterrupted series of successes, whether in Paris, Brussells, The Hague, Rio, or Rome. I am speaking of His Excellency Ambassador Jean Desy. Because of his deep knowledge of foreign affairs and of the European as well as the South American mentalities, because of the experience which he has acquired in the most varied spheres, because of his love of art in all its forms and his undeniable culture, our ambassador was the ideal and only candidate.

For this happy choice, I wish to congratulate our Prime Minister and his government. I also wish to congratulate His Excellency for having been willing, while remaining with our diplomatic service and while maintaining his seniority and his rank, to temporarily give up his ordinary functions as an ambassador, to become our Minister Plenipotentiary of the air waves and of the international broadcasting service. This special mission implies many sacrifices and it is indeed a difficult task. But, thanks to His Excellency Jean Desy, the voice of Canada will carry its message of peace into the most remote parts of the world.

It was a great honour for His Excellency to represent Canada abroad. He is now rendering a great service to our country in acting as its spokesman. He will no doubt deserve our gratitude for this new role he has accepted to play.

Personally, I attach great importance to this appointment and I am pleased to give my full approval to that step taken by the Government. I also take pleasure in requesting you to support its general policy by voting in favour of the motion I have just seconded.

Hon. Mr. Aseltine: Honourable senators, on behalf of the leader of the opposition (Hon. Mr. Haig), I move adjournment of the debate until Tuesday next.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 6, 1952

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

Prayers and routine proceedings.

FOOT AND MOUTH DISEASE BILL

FIRST READING

A message was received from the House of Commons with Bill 7, an Act for the control and extirpation of Foot and Mouth Disease.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave of the Senate, I would move that this bill be placed on the order paper, to be considered later this day.

The motion was agreed to.

NAVIGATION SCHOOLS

QUESTION OF PRIVILEGE

On the notice of inquiry by Hon. Senator Duff:

Hon. Mr. Pratt: I should like to draw the attention of honourable senators to the inquiry of the honourable member from Lunenburg (Hon. Mr. Duff), in which he seeks certain information concerning the seamen of "the four Maritime Provinces". In order to keep the record straight, may I suggest that that wording—

The Hon. the Speaker: May I remind the honourable senator that it is not permissible to comment on an inquiry by another honourable member?

Hon. Mr. Dupuis: I think, your honour, that the honourable senator from St. John's West (Hon. Mr. Pratt) is speaking on a point of order or a question of privilege.

The Hon. the Speaker: I did not hear either of those terms mentioned. If there is a point of order or a question of privilege, the honourable senator may of course speak to it.

Hon. Mr. Duff: Go ahead.

Hon. Mr. Pratt: The notice of inquiry by my honourable friend from Lunenburg (Hon. Mr. Duff) uses the term: "the four Maritime provinces," and I simply wish to suggest to him that he substitute for this term the words "the three Maritime provinces and Newfoundland."

Hon. Mr. Quinn: Why not "the four Atlantic provinces"?

Hon. Mr. Pratt: Well, "the four Atlantic provinces" might be quite proper, though it is not a term that has been in ordinary use. The term "the Maritime provinces" has been traditionally and historically applied to the three provinces of Nova Scotia, New Brunswick and Prince Edward Island. If that term were adopted to include Newfoundland it might, and I think it would, cause confusion on the mainland and in the province of Newfoundland as well. The honourable gentleman who has given notice of the inquiry is a native of Newfoundland and a good friend of the people of that province, and my point in making this suggestion is simply to avoid confusion.

Hon. Mr. Duff: I have no objection to the suggested change.

CANADA DAIRY PRODUCTS BILL

QUESTION OF PRIVILEGE

On the Orders of the Day:

Hon. W. D. Euler: Honourable senators, as a matter of privilege and in order to correct misapprehension on the part of the public—certainly a misapprehension in the newspapers and perhaps in the minds of some members of the Senate—I should like to comment briefly on an article that appeared this morning in the Ottawa *Citizen* as well as in the Toronto *Globe and Mail*, and probably in other papers. The article is headed "New Debate in Senate on Margarine," and goes on to say:

> A new debate on margarine is looming in the Senate.
>
> Senator W. D. Euler yesterday moved in the upper chamber a bill to amend the Canada Dairy Products Act to allow the free movement of margarine in or out of any province. The measure was given first reading.
>
> Interprovincial movement of margarine now is banned under the Act, . . .

I do not need to read beyond that. At the outset let me say that the last statement I have quoted is incorrect. The fact is that interprovincial movement of margarine is not yet banned, but it can be banned by order in council if the government so desires. The bill I introduced yesterday makes no mention whatever of margarine, nor does the Canada Dairy Products Act passed last year. While margarine may incidentally come into the question on second reading, the measure to which I refer has implications far beyond the subject of margarine.

I should like to remove any misapprehension with regard to the bill that was given first reading yesterday. The fact is that the Canada Dairy Products Act, which was passed

in the dying hours of the first session of last year, gave the Governor in Council power to prevent interprovincial trade in dairy products, including margarine. It is to that prohibition that this new measure is directed. If the government can prevent interprovincial trade in one class of commodity it can do so in all, and thus violate the spirit, certainly, if not the letter, of one of the basic principles of confederation contained in the British North America Act, namely, freedom of trade within the provinces. It is to prevent the violation of that principle that I introduced Bill B yesterday.

THE LATE SENATORS AYLESWORTH AND BOURQUE

TRIBUTES TO THEIR MEMORY

Hon. Wishart McL. Robertson: Honourable senators, it is my unhappy duty to officially report to the house the passing, since we last met, of two of our senior colleagues. The Honourable Sir Allen Bristol Aylesworth, Q.C., K.C.M.G., the oldest member of this honourable body, died at his home in Toronto on February 13, and the Honourable Thomas J. Bourque, who at the time of his death enjoyed the distinction of being the dean of the Senate in point of seniority of appointment, passed away at his home in Richibucto, New Brunswick on February 16.

Senator Aylesworth was born in 1854 of United Empire Loyalist stock. He was educated at the University of Toronto, where he received his M. A. degree in 1875. At the time of his death he was the university's oldest living graduate. He was called to the Ontario Bar in 1878, and was created a Queen's Counsel for the province in 1889, and for the Dominion of Canada in 1890. He was a Bencher of the Law Society of Upper Canada continuously from 1891 to the time of his death, and practised law with the same firm in Toronto for half a century prior to his retirement from this field in 1924. At the time of his death he was the senior member of the Queen's Privy Council for Canada.

Sir Allen's notable career of public service commenced in 1903, when he was one of His Majesty's Commissioners for settlement of the Alaska Boundary. He represented Canada and Britain, as agent, before the Hague Tribunal in the Fisheries Arbitration in 1910, and was a delegate to Washington with reference to the Hague Tribunal Award in 1911. In January of that year he was created a K.C.M.G. in recognition of his services in connection with the fisheries arbitration.

Senator Aylesworth was elected to the House of Commons for North York in 1905. He was appointed Postmaster General and Minister of Labour in the Laurier cabinet in October 1905, and became Minister of Justice in June of the following year. In the general election of 1908 he was re-elected; but in 1911, owing to increasing physical disabilities, he did not run. Sir Allen was called to the Upper Chamber on January 11, 1923 as representative of the district of North York.

For the first three years after I was appointed to the Senate, Sir Allen, though grievously handicapped by deafness, displayed an amazing ability of keeping in touch with every important question that was before this house. He regularly attended sittings of the Senate and the committees, and took the keenest interest in everything under discussion. Needless to say because of his long experience and great abilities, any views that he expressed commanded the greatest attention and respect. Though for the last year or two his infirmity resulted in his less frequent attendance at the sittings of this house, he will long be remembered as one of the most able and distinguished of our colleagues.

Senator Bourque was born at Memramcook, New Brunswick, of Acadian stock, in 1864, and was the last member of this chamber who was born in pre-Confederation days. He received his education at St. Joseph's University, Westmoreland County, New Brunswick, and had practised his profession as physician and surgeon in Richibucto, New Brunswick, since 1889.

Our late colleague was first elected to the New Brunswick legislature in 1908, and was re-elected in 1912. He was summoned to the Senate in 1917, and was thus for some years dean of this honourable body in seniority, as he was for a brief period in age. To our late esteemed colleague's three daughters we extend our deepest sympathy.

When I first assumed the responsibility of government leadership in this house, Senator Bourque was Chairman of the Standing Committee on Public Health and Welfare, over which he presided with his customary courtesy and ability. It was my good fortune to have the honour of nominating him for several years afterwards, until he voluntarily relinquished the position feeling that he was no longer able to do justice to it.

As an outstanding representative of the Acadians of the Maritime Province, Senator Bourque's long life of usefulness entitles him to lasting remembrance among all those with whom he was associated.

Hon. W. M. Aseltine: Honourable senators, I think we all agree with the remarks made by the honourable leader of this chamber

(Hon. Mr. Robertson) with regard to the two senators who have so recently departed this life. I also wish to make a few remarks with respect to each of them; first, the late Sir Allen Aylesworth, K.C.M.G.

We on this side of the chamber have always had a very high regard for our deceased colleague Sir Allen Aylesworth. Sir Allen was one of the first senators to welcome me when, as a new senator, I came into this chamber in 1934; and I flatter myself that I enjoyed his friendly interest from then right to the time of his death. I well remember that the Right Honourable Arthur Meighen, when leader of the government in the Senate, regarded Sir Allen's ability so highly that he frequently requested him to prepare and present to the house briefs on complicated matters and problems which required the application of a keen legal mind. Sir Allen always complied with such requests, and made numerous speeches on subjects studied by him. I well remember listening to him on those occasions.

He was born, not in Ontario but in Upper Canada, nearly one hundred years ago, and he knew and was well acquainted with all of the Prime Ministers since Confederation, beginning with Sir John A. Macdonald and including all occupants of that office to the present time. As has been stated by the leader of the government, he was a very brilliant student. At twenty years of age he was given the degree of Bachelor of Arts, and at twenty-one he obtained his Master of Arts degree. He was called to the Bar of Upper Canada at the age of twenty-three, and after practising law in Toronto for some twenty-three years he began to take an active interest in political matters. Meanwhile he held many offices in the Law Society of Upper Canada, and appeared many times before the Privy Council in London. As has been stated, he was elected to parliament in 1905, and took a very prominent part in parliamentary affairs. He was chairman of many committees and held several portfolios as a minister of the Crown. I understand that his portrait in oils hangs at the present time in Osgoode Hall in Toronto.

Before he became a member of parliament Sir Allen served as a member of the Alaska Boundary Tribunal, which was appointed in 1903 to settle the boundary line between Alaska and the western part of our country, when Alaska was taken over from the Russians by the United States. Sir Allen rendered great service on that Tribunal, but he was very dissatisfied with its decision and refused to sign the award. According to the latest edition of Canada's *Who's Who*, Sir Allen and one other member of the Tribunal signed a minority report. I have been told on good authority that when the decision went against Sir Allen he broke down and cried.

After he became a member of parliament, Sir Allen was appointed a member of the Hague Tribunal, which investigated the fisheries dispute in 1910. He was knighted for his services in 1911.

Sir Allen was a most distinguished member of this chamber, and in his passing we have lost another great Canadian. We mourn his passing and extend to his many friends and relatives our most sincere sympathy.

I should also like to pay tribute to the memory of the Honourable Thomas J. Bourque. Perhaps I was more intimately acquainted with him than I was with Sir Allen, because he was a member of our party and took an active part with the rest of us on this side of the house.

Senator Bourque lived to the ripe old age of eighty-seven, just ten years less than did Sir Allen Aylesworth. He lived a full life, which he enjoyed to the utmost until two years prior to his death, when his health began to fail. He was a medical doctor by profession, and skilfully carried on his practice in rural New Brunswick for many years following 1889, a time when the country doctor was at the beck and call of the public night and day for a small fee, or no fee at all. He was a good and kindly man, and was well beloved in the Richibucto part of New Brunswick.

As was stated by the honourable leader of the government (Hon. Mr. Robertson), Senator Bourque's services were recognized when he was elected to the local legislature, where he subsequently served with great distinction. He was a great patriot with a keen love for Canada, and particularly for the Maritimes. In 1917 he was appointed to the Senate, where he took an active part for the most of the thirty-four years that he was a member. Until a couple of years prior to his death he was chairman of one of our most important committees. Notwithstanding his long years in public life, with their many opportunities for accumulating wealth, he died quite a poor man.

Dr. Bourque was noted for his integrity and good judgment. He was a great reader, generous with his advice and information, and we in this chamber will long remember his warm smile and cheerful voice.

Above all, Senator Bourque was a fine example of what a husband and father should be, and we take this opportunity of conveying to his three daughters our deepest sympathy and our best wishes for the trying days that lie ahead. We mourn the passing of a fine man.

Hon. Norman P. Lambert: Honourable senators, I should feel remiss indeed if on this occasion of commemorating the passing of two of the oldest members of the Senate I failed to record my appreciation of these two gentlemen, particularly the very distinguished member who represented the province of Ontario in this house for so long. It was not my privilege to know intimately the late Senator Bourque, but during my time here he impressed me with his kindliness. Coming from his native province of New Brunswick, with his long history of public service there, he was a credit to this chamber in the same way that Sir Allen Aylesworth was to the province of Ontario.

One approaches the paying of tribute to Sir Allen Aylesworth in a spirit of great diffidence and humility. I feel like an amateur artist who seeks to sketch a landscape that really demands the hand of the most accomplished master. When I was quite young Sir Allen Aylesworth was in his prime, and looking back I view him as a man who was recognized as a great Canadian in every part of this country. From the point of view of Ontario, Sir Allen was one of the finest products of an older generation which laid the solid foundations of social and political life in that province. The fine qualities that he inherited from his own family and the pioneer community around him enabled him to rise and be recognized for his intrinsic worth.

I cannot look back as far as some other members of this chamber, but in an attempt to give some personal impression of the influence exerted by Sir Allen Aylesworth I can recall very clearly an occasion in Toronto in 1905, shortly after he had been made a minister in Sir Wilfrid Laurier's government. Sir Wilfrid and he were guests of honour at an annual dinner given by the students of the University of Toronto. It was my first year at the university, and I have never forgotten the effect that the addresses of those two eminent men had upon me. I think that many Canadians who were educated in that period have been able to date the orientation of their minds in matters of public and political interest to the impact of one or other of the leading men of the day. Several of my friends have no hesitation in speaking of the indelible imprint left upon their minds by some remarks of Sir Wilfrid Laurier. The occasion to which I have just referred was the first on which I saw Sir Wilfrid and the then Mr. Aylesworth in person, and it was indeed a red letter occasion for me. The effect upon youth at such a time is probably made more deeply on his subconscious than his conscious mind, but later it flowers into something in the way of conviction or sympathy or belief. As I have said, I still clearly recall Sir Allen's speech at that dinner. Seeking to please his young audience, he treated us to some purple passages of oratory, delivered in measured and sonorous tones. The success of his effort on that occasion was reflected in the very enthusiastic reception accorded him.

I should like to refer briefly to some other aspects of Sir Allen Aylesworth's career. Of his eminence in the legal profession I am probably not as well qualified to speak as are some of those who were associated in that profession with him, but I saw a good deal of his activity when I lived in Toronto years ago and was on the staff of a daily newspaper. That paper had the painful task of criticizing him rather severely when he was Minister of Justice, and shortly afterwards I met him and realized how generously minded he was in his approach to the opinions of others.

I have repeatedly heard a jurist of great distinction still living in this country say without hesitation, in reply to a question, that the ablest lawyer with whom he came in contact during his long experience before the Supreme Court of Canada and the Judicial Committee of the Privy Council in England was Sir Allen Aylesworth. He also added that the people of Canada were not aware of Sir Allen's great attainments in other fields than the law. He referred to the fact that Sir Allen graduated from the University of Toronto in modern languages, that he was intimately acquainted with not only French but with Italian and German. The classics were of course part of his basic training, and those who knew him well had the opportunity of appreciating his familiarity with the great minds of the past.

I think we all feel that the great services he rendered before the Alaskan Boundary Commission sparked the outburst of a definite Canadianism in this country. I well recall that when the Alaskan Boundary Award was announced there was from one end of the country to the other a flare-up that marked the consciousness of that spirit which has since developed so strongly.

In conclusion, I wish to say that I was rather sad, but not surprised, at the seeming inadequacy of the memorial notices in the press on the passing of Sir Allen. It suggested that the long link joining us with the pioneer days of this country is weaker than it should be. There is not, I am afraid, a sense of interest and pride in those old

associations. One cannot help feeling that there is a good deal of truth in these words of Shakespeare:

"Time hath, my lord, a wallet at his back,
Wherein he puts alms for oblivion."

However, I have no doubt that the influence of great personalities continues long after they have gone. Sir Allen must have left a deep imprint upon the minds of a large number of Canadians. As a final word I wish simply to say again that in my own case I can date certain very vivid and real impressions from the time when he enjoyed a great reputation as a national figure in Canada and I was just a humble student. So it must have been with many others.

Hon. W. A. Buchanan: Honourable senators, a remark just made by the senator from Ottawa (Hon. Mr. Lambert) with respect to Sir Allen Aylesworth's work before the Alaskan Boundary Commission makes me feel that I should say a few words on this occasion. But first I wish to express my sorrow at the passing of Senator Bourque, whom I knew fairly well and always regarded very highly.

I am in complete agreement with all that has been said in tribute to both our late colleagues, but I wish to recall particularly the stand taken by Sir Allen in 1903, which at the time stirred me deeply. Mr. Aylesworth, as we then knew him, disagreed with the chairman of the commission on the decision as to the boundary between Canada and Alaska. As a young man on a newspaper in the city of St. Thomas, and completely unknown to Mr. Aylesworth, I sent him a wire expressing my admiration of his stand. What the senator from Ottawa (Hon. Mr. Lambert) has said of Sir Allen was true of a host of Canadians of that time. If there is a growing Canadian sentiment in this country, it certainly was fostered and grew steadily from that moment on, for we learned then that there was one distinguished Canadian who stood for the sentiment expressed in Kipling's words:

Daughter am I in my mother's house,
But mistress in my own.

He felt that, in matters concerning Canada, Canada should stand on her own rights; and he as a Canadian expressed that view when he signed the minority award. While I do not know whether Sir Allen would be in complete sympathy with all present-day national sentiment in Canada, he was responsible for that particular development. At the same time he was loyal to the British connection, for he felt that he could be loyal to that connection and still be a true citizen of Canada and stand up for her rights.

I have had great admiration for Sir Allen from the time of that incident in 1903 onwards, and I am proud today, long years afterwards, that I sent him the message I did. It came from a heart that was fully in accord with the action he had taken. At no moment in the years that have passed between have I thought that he acted wrongly. In his passing we lose a great and good Canadian.

It is true that Sir Allen was handicapped —I personally know something about the disability from which he suffered, and his was much greater than mine—but despite his handicap, as a member of this house he sought to keep in touch with everything that went on, and whenever he spoke we respected his thoughts as those of a great mind.

Hon. A. W. Roebuck: Honourable senators, I regard it as a privilege to say a word of comment and regret at the passing of one whom I looked upon as Toronto's most distinguished citizen. Although a much younger man than Sir Allen, my memory goes back over many years of his career. Of later years, I have been a fellow Bencher of the Law Society of Upper Canada and, by the way, have shared his locker. In recent years he seldom attended the meetings of the Law Society.

My most vital memory of Sir Allen relates to the part he played in the Alaska Boundary Dispute, and I have a very clear recollection of the stir of Canadianism, to which my friend from Lethbridge (Hon. Mr. Buchanan) referred, not only in my own heart but in those of my compatriots. I recall well a cartoon published in the Toronto *News* of that time by an able cartoonist named McConnell. He pictured the American eagle and the British lion standing in the background, while in the foreground was a little beaver with his hat in his hands. Under this cartoon appeared these words of the beaver, "You two fellows can scream and roar, but I am going to dam." I thought that a very clever cartoon, not only in its play on words, but in its precise expression of the thoughts of the people of that time. It is not necessary that we debate again the issues of that early day, but regardless of who was right or who was wrong, there stands out most clearly the fact that Sir Allen at that time was a great Canadian. He crystallized the conviction that was coming to Canadian minds at that time that Canada must manage here own foreign and domestic affairs. We have constantly followed that doctrine with marked and notable results

favourable to ourselves, and I hope the time will never come when that conviction will change.

As a young practitioner of law I consulted the late Sir Allen Aylesworth on matters of legal difficulty, and I have the clearest recollection of his prompt and incisive mentality. He was a most kindly man, and my fondest memory of him is that regardless of the position he held he was never "high hat".

When speaking of a distinguished Canadian like Sir Allen, one is reminded of the words of the poet Gray in his *Elegy written in a Country Churchyard*:

> The boast of heraldry, the pomp of pow'r,
> And all that beauty, all that wealth e'er gave,
> Awaits alike th' inevitable hour.
> The paths of glory lead but to the grave.

I am sure I express on behalf of all my colleagues the regret which we feel in the passing of this great man—a good friend, and above all an outstanding Canadian citizen.

Hon. C. J. Veniot (*Translation*): Honourable senators, as an Acadian colleague of the lamented Senator Bourque, whose memory we are honouring today, I wish to associate myself with the senators who have just paid him a tribute which he richly deserved.

Indeed, through his devotion to duty as a young man and the almost heroic efforts he made in order to reach such a high place in the professions, through his devotion to his calling during more than half a century, and through the ever active interest which he took in public affairs, Senator Bourque was a credit to his province, to his country and especially to the Acadian people whom he represented with such dignity.

I will not linger over the numerous activities of his long career, a detailed review of which has just been delivered in the English language. I would like to point out, however, that Senator Bourque was the last survivor of a Pleiad of prominent men who, toward the end of the last century and the beginning of the present one, played an important part as pioneers in the difficult and courageous task of the Acadian revival. He graduated with distinction from St. Joseph's College of Memramcook in 1884; he belonged to that generation of pupils who had the rare good fortune of having as their director and professor the venerable and distinguished Father Lefèvre, the first superior of the college, whom we all look upon, and rightly so, as the father and moving spirit of French classical education in Acadia.

Senator Bourque was one of the successors of the intellectual pioneers of Acadia, among whom were Father Marcel Richard, Judge Pierre A. Landry, Senator Pascal Poirier, Olivier LeBlanc, member of parliament, Ferdinand Robidoux, Sr., newspaperman and founder of the *Monitor acadien*. He was also contemporary with two other of our newspapermen: Valentin Landry, founder of the *Evangeline* which is still appearing daily, and Pierre Veniot, founder of the *Courrier des provinces Maritimes*. He was also a contemporary of men called Belliveau, Girouard, Mélanson, Gaudet, Léger, and Cormier, and of many other clerics, doctors, lawyers, and business men who distinguished themselves at that time.

In order to do honour to our departed colleague, I have placed before you this part of our Acadian history. Suffice it to add that Senator Bourque was, as you all know, a gentleman of the old French school, as well as a hard worker, during his years of productive activity.

It was especially as a general practitioner, as was mentioned before, that he gave himself without stint in the city of Richibucto and a wide area of the county of Kent. He had the rare distinction of looking after three generations of patients, from father to son and from son to grandson. The many tokens of sympathy showered upon the family upon his passing away bear witness to the high esteem in which he was held by those who were close to him.

The hundreds of messages of condolence received from all over the province and from different parts of Canada also showed the trust which the general public put in him.

I was asked by our leader to represent him, as well as the Senate, at the funeral of our departed friend. As you know, the terrible blizzard which swept over the Maritimes, from the 18th to the 21st of February made all roads impassable and brought all travelling to a standstill. I was fortunate enough to be able, at the beginning of the storm, to reach Richibucto and to spend two days with the grief-stricken family.

May I be permitted to say that the family of our lamented colleague has been deeply moved by the condolences officially extended by the members of this honourable assembly, of which the senator had been a member for 35 years, and I have been asked to convey to all of you, the expression of its deep gratitude.

Hon. L. M. Gouin: Honourable senators, to the tribute which has just been paid to this

kind and sympathetic Acadian physician, the late senator Bourque, I wish to add a token of esteem from a Quebecker.

I had the opportunity over many years of developing close relations, which I shall always treasure, with this kind and sympathetic doctor whose memory was so movingly recalled here a moment ago. I used to meet him every morning at breakfast, and I was always impressed by his courtesy towards me and by the interest that he showed in all matters pertaining to the country. We have lost in him an excellent citizen and an excellent friend.

(Text):

As a member of the Canadian Bar and, in particular, as a member of the Bar from the province of Quebec, I think it is my duty to devote a few words of praise to the memory of Sir Allen Aylesworth. In very fitting words our colleague from Ottawa (Hon. Mr. Lambert) a few minutes ago recalled the merits of this grand old man. As a prominent jurist his name will always be remembered, I believe, by all barristers and solicitors throughout this land. He was a survivor of the epoch of Sir Wilfrid Laurier. With Sir Louis Jetté he refused to sign the Alaskan Boundary Award. He was a man of courage: he was a man of great legal knowledge: he was one of the kindest and most sympathetic gentlemen I have met in all my life.

Like the acting leader of the opposition (Hon. Mr. Aseltine), I had the privilege of being welcomed by Sir Allen Aylesworth the very day I entered this house. He was a man of deep religious conviction: he was a good citizen, maintaining an active interest in everything which took place in the country at large, and in particular, everything which took place in this Senate. I am most thankful to him for the interest he showed in every address which I delivered here. His deafness of course was a great handicap to him, but he would read my text and then he would give me some sound advice, and encourage me. I have no words to express how much I have appreciated the affection which was shown to me by that grand old gentleman.

Although I never like to refer to religious issues, I must say that I shared his opposition to divorce. Again and again, until a few years ago, he would rise here to express his views on what is for us a great moral question. Referring again to what is in my opinion a religious problem, may I say before resuming my seat that, because of my defective hearing, I did not realize yesterday that the honourable senator who spoke before me had made remarks on birth control which, of course, I cannot possibly approve.

To the family of Sir Allen Aylesworth and to the family of the late Senator Bourque I wish to express my most sincere condolence.

Hon. Arthur Marcotte: Honourable senators, I do not think I should let this occasion pass without saying a few words in memory of our recently-departed colleagues. These were two old men, already long past the age at which the reformers of the Senate would have you believe that men can perform a useful service. My words are not to criticize; they are to praise.

As a young man with a certain amount of experience in public life, I was aware of the achievements of Sir Allen Aylesworth. When I was summoned to the Senate one of the first persons I met was the late Senator Jacques Bureau. He was the deskmate of Sir Allen, and it was not difficult to observe the deep affection he had for Sir Allen. He was often busily engaged in writing notes of whatever was taking place in the house and passing them over to Sir Allen, who was hard of hearing. I was struck by this filial affection. It so happened that at the next session of parliament it was my honour to second the motion for the adoption of the Address in reply to the Speech from the Throne. My speech was in French. Two or three days later I met Senator Bureau and, as always, he was with Sir Allen Aylesworth. I said to him, "Jacques, would you introduce me to Sir Allen?" He did this, and Sir Allen, with his kind smile, said, "I have heard about you." In those days Sir Allen did not know when he was speaking loudly, and at the top of his voice he said, "Marcotte, I like you." That was the finest compliment I ever received from anybody of his status.

I have been a humble lawyer all my life, and I was always keenly interested to see what action Sir Allen would take in times of crisis. Such a time came in 1936, when the late Senator Casgrain moved a resolution to the effect that the judgment of the Supreme Court of the Dominion of Canada, when unanimous, should be final except in constitutional cases. Subsequently we heard a speech by Sir Allen Aylesworth, and I knew what it was to be a friend of his. I am not going to use my own words to illustrate what I thought at that time, because they would be inadequate, but I am going to use the words of two of the greatest senators of that day, the Right Honourable Mr. Meighen and the Honourable Mr. Dandurand. This is what Mr. Meighen had to say:

> Hon. members, I am too well aware of my inequality of rank in respect of knowledge of the law and of the character and functions of the great

governing institutions of this empire and this dominion, to attempt further to expand on the subject which has been so very ably dealt with by the honourable senator from North York (Hon. Sir Allen Aylesworth). I rise only to attempt to express in a sentence or two my very keen appreciation of the manly, the commanding and the scholarly treatise he has delivered to us on a subject too little understood in this generation, which in matters of thought is more careless than the generation in which he shone so brightly. Rarely have I listened to a more virile, a more inspiring, a more masculine exhibition of intellectual talent than that to which he has treated the Senate this afternoon and evening.

I am sure that in respect of the cultural quality of his address, if not in respect of its conclusion—and with its conclusion I, for one, wholly agree—I represent the unanimous judgment of the chamber when I tell my honourable friend he has given an impressive exhibition of those qualities which endeared him to his fellows of the last generation and which make him a revered figure in this; an exhibition which makes clear to us why it was that for so many years he held and adorned the leadership of the Bar of Canada.

Then the Honourable Mr. Dandurand added:

I rise with diffidence to add my tribute to the eulogy which has just been expressed by my right honourable friend who leads the other side. All I need say is that I associate myself with him wholeheartedly and fully in subscribing to his encomium.

Sir Allen Aylesworth was a great lawyer and a kind man. When I say "kind", I think that is exactly what he desired to be whenever he was arguing a case. There was always a warmth in his heart that made him liked and respected. I wish to extend my sympathies to the members of his family.

I have followed very closely the senators who have risen to speak about Senator Bourque.

In this vast country, it is possible to be neighbours in mind and heart, notwithstanding the thousands of miles between us. That is what happened in the case of Senator Bourque and myself. Although we shared the same political views, we were separated by several thousands of miles.

I made an effort to remember the first occasion upon which I met my good friend, Senator Bourque, and this I was able to do.

Most of my colleagues cannot go back to the days of 1896; that is a long time ago; it seems like ancient history. At that time we had in the Department of Lands, Forests and Fisheries a man named Joncas, who had been member of Parliament for Gaspé, a county which is not very far from the place where the late senator lived. One day my minister told me: "Go and see Joncas." I went to see Joncas, and at his house I met the people I always saw there: Henri de Puyjalon, Edouard Delpit and several others. There was also a newcomer, a tall, intelligent looking young man. Mr. Joncas said to me: "This is"—not senator, but—"Doctor Bourque." Who could have told me then that nearly fifty years later, in this very Chamber, I would meet the friend who had just been introduced to me.

In the person of Doctor Bourque we have known a man of duty, a phonomenon described as the country doctor who toiled under most difficult conditions. The older ones among us know how true that is. Some of us recall how difficult it was some sixty years ago to have a young man educated how many sacrifices were required, what steadfastness of purpose and what energy had to be shown not only by the parents, but also by the young man who went to college. Let us recall also the country doctor as he was at that time. The highways had not yet been laid out and everything was lacking; nevertheless in time of need the country doctor was always there, and always willing to help out—to extend sympathy and understanding, and share the fruits of his knowledge, which is the strongest evidence of the affection with which he treated his patients. Well, there you have the picture of our late colleague.

Doctor Bourque, came of an Acadian family of New Brunswick, a province which has given us outstanding men like the Véniots and many others. There are among the Acadians people who not only follow a profession, but a vocation. To these people there is only one way of paying tribute: to stand by their remains and express the deep respect and affection we have had for them, and to assure them that they have truly deserved their final rest, not only on earth, but in a better world.

In closing, I wish to extend my most sincere condolences to the family of my good friend, the lamented Senator Bourque.

FOOT AND MOUTH DISEASE BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 7, an Act for the control and extirpation of foot and mouth disease.

He said: Honourable senators, I fancy that interest in this house and in the country at large is attached more to the circumstances responsible for the bringing in of this bill than to the bill itself. So far as I have been

able to gather, there has been universal support of at least the principle of the bill. I would suggest that if second reading is given this afternoon and some honourable members desire more information than I am able to give, we might adjourn during pleasure and consider the bill in the Committee on Natural Resources. I have arranged with my colleague the Minister of Agriculture that if the committee meets and desires him to come, he will attend.

In the meantime I will attempt to explain the bill. For the first time within the memory of anyone in Canada, honourable senators, Canadian cattle have suffered from an outbreak of foot and mouth disease. Nearly every country in the world, including the United States, has had some cases, and in several countries the disease is endemic. During the past year there have been severe outbreaks in Europe and the British Isles. Thanks to precautionary measures taken in Canada, we have managed until this present outbreak to maintain a clean bill of health.

Because the disease has never attained or held a foothold in this country, the policy of extermination is considered to be the only one to follow in order to prevent a continuing burden on the livestock industry. Although vaccination has been practised in parts of Europe, where the disease has long been established, all veterinary advice is against the use of vaccine or other treatment under conditions which prevail in Canada.

While the disease is a highly infectious one and can spread very rapidly, experience in Great Britain and the United States has shown that with proper care and prompt action it can be quickly eradicated and its spread checked by slaughtering the infected animals and any animals known to have been in any way in contact with possible infection.

The purpose of this legislation is to give the minister authority to order the slaughter of any animal or animals which are infected or suspected of being infected, in order to eradicate the disease and prevent its spread, and to pay fair and reasonable compensation to the owners of such cattle. This compensation is to be determined in a manner prescribed by regulations to be made by the Governor in Council following a report to be made by a board of valuators appointed by the Governor in Council.

Provision is at present made under the Animal Contagious Diseases Act to compensate owners for animals destroyed on account of bovine tuberculosis, under departmental policies which are carried out in conjunction with the provincial governments, who share part of the expenses of the actual testing. However, only those animals actually affected by bovine tuberculosis are destroyed. In actual experience it is generally necessary to destroy but a few animals in certain herds, and each owner concerned does not suffer a serious loss in his normal operations.

But the policy of extermination, which calls for destruction of all animals on a farm, plus a lengthy period of quarantine, is a more serious blow to a farmer's operations, and it is considered that provision should be made for compensation according to the actual value of the animals destroyed. It should be pointed out that the farmer's premises will be quarantined for at least ninety days after the destruction of his animals, and he will be deprived of revenue during the period; and also that in all probability it will take him a much longer period to build his cattle holdings up to what they were before his herd was destroyed.

Hon. R. B. Horner: Honourable senators, as we all know, there has been a long discussion in the other house on the outbreak of foot and mouth disease, the effects of which are so tragic, especially in the province from which I come. However, there are still a good many points that might well be discussed. That title of the bill before us—"An Act for the control and extirpation of foot and mouth disease"—is somewhat misleading, for the purpose of the bill is really to compensate those farmers who suffer the loss of cattle and certain other property. It is necessary that the bill go through as quickly as possible, and so far as I personally am concerned I doubt at the moment whether there would be any object in going into committee after second reading.

The cattlemen of the province of Saskatchewan are placed in a serious position. I am hopeful, however, that the disease will be confined to a small area. In the northern part of the province from which I come, particularly around Meadow Lake, there is ample grass for grazing. The cattle raised in this area are not as a rule finished for market, but are sent further south to cattle buyers, who grain-feed them. Some of the stock are now fully grown, and will be marketed in the spring. But these feeder cattle were purchased last fall at prices as high as 28 and 30 cents; now, because of the provincial embargoes, the finished product is worth about 22 cents. I hope this problem will be remedied shortly. I do not wish to criticize the government in this connection, for we must convince other provinces of our determination to stamp out this disease in Canada.

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Horner: There is, however, the question of the length of time that elapsed following the discovery of the trouble, and the failure to properly diagnose it. For this the government might well be criticized. Also, there was a period when the quarantine was taken off for a time. As this is to be a subject for discussion before the committee on agriculture in the other place, more information as to what actually happened may be forthcoming.

I have not been able to ascertain the exact number of animals that were moved from the stockyards in Regina, where the disease was detected. As many honourable senators know a buyer for a large packing plant very often conducts a feed lot in his own name. This is necessary if the plant is to provide continuous employment for a large number of men. In other words, the same number of cattle do not come in each day or each week, and it is necessary to have a large herd close by in order to keep the supply flowing steadily. Apparently the Burns company owns a stockyard and a feed lot, but I have not been able to ascertain the number of cattle located there or what became of them.

A further point on which the government might well be criticized is the method adopted for destroying the animals. We have all seen pictures in the newspapers showing four or five policemen standing near a great ditch, and the cattle being driven broadside to it, and there being shot. When this procedure was taking place the cameramen were on hand to record it. For my part, I think they should have been barred. If we are going to stoop to that kind of sadistic culture, the pictures could be enhanced, I suppose, by showing men and women weeping over the loss of individual animals. To my mind such pictures are poor advertising. The experience is heart-rending for those who have lost their stock.

Having been associated with and fond of animals since I was a small child, I know full well that a farmer does not look upon his herd as just so many head of cattle. To him each member of his herd is an individual. Had such a tragedy as some farmers are experiencing occurred on my farm, I am quite sure that I would find it difficult to go about the place. I extend my sincere sympathy to those men, women and children who are losing their cattle. Although in the future they may again get into a good line of stock, at the moment they feel that the particular qualities of their dairy or beef cattle will not be reproduced in another herd.

As to the provincial embargoes, I regard them as most unusual and perhaps unreasonable. Saskatchewan and Alberta are the great meat-producing areas of Canada, and I have been advising my fellow cattlemen in the West not to fall victim to panic selling of their herds. My judgment is that we will not have any more than enough to meet the demand. Indeed, we have recently imported many carloads of beef from the United States to meet our domestic shortage; and I understand that there is now on shipboard several thousand tons of New Zealand meat on its way to Canada. We should also realize the fact that Canada had more sheep when her population was half what it is today. It is quite apparent that the raising of cattle has not kept pace with our increasing population.

The area between where I live and where the disease broke out would be as big as some European countries. I have been amazed at the quantity of shipments from the Lloydminister stockyards and from the stockyards at Battleford. In Alberta also there are some large stockyards and packing plants. Surely cattle could be inspected and shipped via the northern line of the Canadian National Railway, and not come within 200 miles of the infected area. However, my advice to all the men in my area is to keep their cattle and avoid panic. We in our area are very fortunate that we have an abundance of feed, and the world needs all the meat we can produce.

One of the nonsensical ramifications of this outbreak is the announcement in the press that we are to curtail immigration or refuse admission to farm workers from certain areas. It would seem to me a very simple matter to disinfect the person and clothing of anyone who happened to emigrate from an infected area. By this means we would be perfectly safe from infection.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Horner: We have had no report on the results of the tests made on the clothing of an immigrant whom I understand came from an area where the disease was prevalent. There was at first a rumour that the germs of this disease were intentionally placed in Canada. As a matter of fact, it is somewhat of a coincidence that at the time of the outbreak the Communists were accusing the United Nations troops in Korea of spreading germ warfare. That subject seems to be in the minds of the Communists all the while.

In this connection, the examination of emigrants prior to entry to this country is a question for consideration. I have mentioned the serious position in which this outbreak has placed my own province; and if other

provinces are permitted to maintain an embargo, I think I would advise our provincial government to endeavour to secure control over the admission to Saskatchewan of foreign immigrants. Various provinces have trade commissioners abroad: surely the matter of the health as well as the type of immigrants coming into the provinces is of much greater importance than questions of trade. I believe a certain degree of control of immigration by the provinces would be reasonable. I have some personal knowledge of immigrants who have come here recently, and too often their attitude is wrong; they are sympathetic with Communism. Surely this indicates some lack of care in selection overseas. I have always favoured the admission of people who are willing to work. Canada has many important projects either in prospect or under way, and we need men, particularly perhaps on the farms. It has been suggested that an immigrant is responsible for the present outbreak, but this does not seem to me sufficient ground to refuse admission of farm workers to this country. With proper care, danger can be avoided.

I believe the government should make a fresh effort to secure a market in the United Kingdom for our cattle and hogs. The British Government has been contracting for meat with a South American country whose price has recently been doubled. I have read that there is actually a shortage in the Argentine and that meat for domestic consumption is rationed. I know that the lack of dollars prevents Britain from buying Canadian pork and beef, but recently Canada increased the tariff on automobiles and other products made in the United Kingdom, and surely something could be done to encourage a greater inflow of goods from Britain at a time when things are so difficult for her.

I intended to mention that the honourable senator from Huron-Perth (Hon. Mr. Golding) handed me a very interesting article in the *Family Herald and Weekly Star* about the difficulties encountered in England in dealing with foot and mouth disease. It is claimed that the disease is of three different types, and that thus far it has not been found possible to produce a master vaccine which would take care of cattle suffering from any of these various types. Over there the policy has been to slaughter animals in contact, but this practice is not adopted in continental Europe. If in Britain this difficulty has not been overcome, I suppose we in Canada can do no more other than follow our present course.

As far as I personally am concerned, if it is the wish of honourable senators to give third reading to the bill at this time, I have no objection.

Hon. F. W. Gershaw: Honourable senators, as one who comes from what is largely a ranching district, I wish to make a very few observations on this bill. I appreciate the sympathetic way in which the subject has been discussed by the honourable senator from Blaine Lake (Hon. Mr. Horner). The ranching people are intensely interested. We have ranches with four or five thousand fine healthy cattle, and it can be seen how ruinous would be the consequences were this rather mysterious disease to break out in those areas. So, it seems to me, it is necessary for us to make a complete study of this whole question, and to establish as far as is humanly possible principles which will be a guide in relation to this serious trouble for a long time to come.

Recourse to wholesale slaughter is shocking to us all. The human interest element enters in, for people acquire a personal and individual interest in their animals, and the remedy suggested is a sad and unfortunate one.

Through the years the United States has been the profitable market for our ranching cattle, and I would like to see everything possible done to have that market opened to us again. I believe it would be well to refer the matter to a committee of the Senate, so that we may have a full discussion and secure all the information we can obtain on this important subject.

Hon. Thomas Reid: I, agree with the principle of the bill, and am in no disagreement either with the bill itself or with the steps which have been taken by the federal authorities to handle this very serious problem. As most honourable senators know, foot and mouth disease has existed in many countries over a period of centuries. We in this country have been somewhat penalized in the past thirty years in being prevented from sending live cattle to the British market because of the fact that foot and mouth disease was in existence in twenty-three States of the American union.

Hon. Mr. Horner: You say it is in existence, or it was in existence?

Hon. Mr. Reid: It has been in existence.

Hon. Mr. Horner: At that time.

Hon. Mr. Reid: In twenty-three States. Due to this condition, for thirty years Canada was not allowed to ship live cattle, other than for beef, to the United Kingdom.

I remember as a boy helping to drive Canadian cattle from the docks. I remember too such incidents as the burning of carcases of cattle which were discovered to have foot and mouth disease.

Hon. Mr. Euler: Was not foot and mouth made an excuse for not admitting Canadian cattle? I well remember what happened at that time.

Hon. Mr. Reid: It may well have been an excuse, because it could hardly be supposed that cattle in this country had any connection with cattle in the southern United States.

What I fear in this connection now is the various provincial embargoes which have arisen. I know that some provinces have felt inclined to act quickly, but a chain of circumstances has been started which in my opinion, if it extends, may lead to ten balkanized states. The province of British Columbia has not only shut out live cattle but it has shut out beef. Great Britain never went so far as that.

Speaking of beef, the honourable senator from Blaine Lake (Hon. Mr. Horner) stated that prices had now gone down. He and I have visited a certain part of the United States during this past year, and later on I would like to lay on the table some pertinent figures in connection with beef prices, because when in Los Angeles I was astonished to find that beef prices in the stores were generally far more reasonable than beef prices in British Columbia. What intrigues me is this. How can the Americans buy our beef at high prices and then sell it to their consumers at a more reasonable price than we can sell it to our own consumers? This has nothing to do with the bill before us, however, and I shall not pursue it further at this time.

I heartily agree with the remarks made by the honourable senator from Blaine Lake (Hon. Mr. Horner) about the method of slaughtering cattle. Those of us who have had experience in the killing of animals know that you must stand directly in front of the animal's head, and if you miss by just a little bit with the first shot you may have to put two or three more bullets into the animal before it drops. You have to penetrate the brain, which is right in the centre of the head. I was rather disturbed when I read that members of the R.C.M.P. were given rifles and ordered to shoot these diseased cattle which are held in groups. I know from experience that many of these animals could not be dropped by the first shot unless it was a bull's-eye, and that is something difficult to achieve when cattle are milling around.

This is the first time in the history of our country that this dread disease has struck our cattle, and it is only natural, perhaps, that some people should become a bit panicky. I do not quarrel with them for their feelings, but I do find fault with the undue publicity which has been given to the whole matter, particularly the publication of photographs showing the killing of large herds of the diseased cattle. This sort of publicity and the undue criticism which has been made has not helped to eradicate the disease. On the contrary, it merely leads other countries to believe that perhaps our cattle are in a bad way. I think much of the criticism has been made on a political basis rather than from concern for the welfare of our people.

I also want to agree with what the honourable gentleman from Blaine Lake had to say about immigrants. It seems to me that our import regulations are tight in some cases and lax in others. One regulation which I feel should be looked into affects live plants. Canadians cannot import from the United States a fruit tree or rose bush or any other plant unless the roots are bare. On the other hand, these plants can be imported from Europe with the soil attached to the roots. Anyone who is at all familiar with horticulture knows that plant diseases can and do live in the soil.

Speaking of the danger of our having ten balkanized states in Canada, one province may wish to retaliate against the actions of another. For instance, I am not at all sure that British Columbia might not be thinking of retaliation because of the results of the Newcastle disease which struck its poultry. At that time Alberta refused to take British Columbia poultry, and there was a marked drop in the importation by Ontario of British Columbia fowl of all kinds. That thought might now be in the minds of some British Columbians, because that province is not only refusing to take live cattle but beef as well. While these actions seem simple at the moment, they may have a bearing on the national and economic life of this country.

The matter of trade falls within the jurisdiction of the federal government, and all provinces look to Ottawa for the imposition of regulations controlling trade. It seems that the provinces, on a growing scale, are doing something now which is tantamount to creating a barrier to free trade. When I was visiting my boy in California a prominent citizen there said to me, "What are you people in British Columbia trying to do by keeping out our wines? You want to sell us all your produce, and yet you will not buy our wine". That is something about which the federal government can do little. I understand that there is an agreement

among the ten provincial premiers or attorneys general to prevent, if they can, the importation of wines from the United States. It is true they are not endeavouring to do this under any import regulation, but the simple refusal to buy the wine has the same effect as a tariff. This situation has been in existence in British Columbia for a number of years now, and it is creating considerable ill felling with our neighbours to the south. If you want to export you have to import, and I merely mention this because in my opinion the provinces are actually interfering with the right of the dominion.

It may seem strange to hear a senator take this stand. It has been said that it is the duty of the Senate to protect the rights of the provinces, and here I am drawing attention to the fact that the provinces are interfering with what I believe to be a federal right. These things are sometimes passed by as though they did not amount to a great deal; but such a practice can grow once a precedent is established. Provinces are made up of human beings, and if one province thinks another has been a little too severe in shutting out some kind of produce, it may want to take retaliatory measures.

I have no objection to the bill before us, and I think it should be put through without delay so that the farmers may be compensated for their cattle which have been destroyed. I wish to commend the government for introducing this measure, and for the steps it has already taken to prevent the spread of this most serious of all cattle diseases.

Some Hon. Senators: Hear, hear.

Hon. Arthur W. Roebuck: Honourable senators, I wish to see this bill passed without delay, and if this is done it will be in marked contrast to what has taken place elsewhere.

There is a question which I wish to ask of the sponsor of the bill.

Section 1 of the bill reads as follows:

> The Minister of Agriculture may cause any animal to be slaughtered where he deems it necessary in order to prevent the spreading of or to extirpate the present outbreak of foot and mouth disease in Canada.

This bill has not yet been passed, so under what authority is the slaughtering going on now? Why is it necessary to give the Minister of Agriculture this power? If authority is required to deal with the present outbreak, then it is also required to deal with any other outbreak that may occur. I do not understand this first section at all.

Hon. Mr. Robertson: I am unable to give the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) an authoritative answer, and I think such questions as this could be dealt with in committee. I am advised that there is not likely to be a Royal Assent before six o'clock, and I think that in the meantime some senators might like an opportunity to ask pertinent questions.

I might add that I understand this legislation is of a temporary nature, that it will not be needed for any great length of time.

Hon. Mr. Roebuck: That is true as to its compensatory features.

Hon. Mr. Robertson: On the first question my honourable friend asked me, as to power to order slaughtering, I fancy the minister has that power now under the Animal Contagious Diseases Act; but of course the bill before us would enable him to take much more drastic measures than are contemplated under that Act.

Hon. W. M. Aseltine: Honourable senators, perhaps I should make a few remarks on this bill before it goes to committee. I agree pretty well with what has been stated by the leader of the Senate (Hon. Mr. Robertson) and the senator from Blaine Lake (Hon. Mr. Horner) and others who have spoken, and I am particularly interested in the question asked by the senator from Toronto-Trinity (Hon. Mr. Roebuck). The point he raised is one on which I think we should be enlightened before the bill is passed. We want to know if the words "the present outbreak of foot and mouth disease" would apply as well to an outbreak six months from now. Although I am willing to facilitate passage of the bill, I feel that before it goes through we should be given answers to a few pertinent questions.

Most of us have no doubt followed the debate on the bill in the other house. Complaint was made there that the government had been lax in ascertaining that the disease from which cattle in Saskatchewan were suffering was the dread foot and mouth disease. However, I do not see how we can gain anything by going into that now. I understand that the Minister of Agriculture has promised that a parliamentary committee will be set up promptly to investigate how the disease started and why it was not correctly diagnosed earlier. That committee may consist of members of the Commons only or it may be a joint committee, composed of members of both houses. I may say here that I have no wish to repeat the experience I had last fall as a member of a joint committee, of which the senator from Provencher (Hon. Mr. Beaubien) was Joint Chairman. I do not think that we had an opportunity to investigate what we set out to investigate,

and in my opinion the result was very unsatisfactory. However, a joint committee might perform some good work in investigating the outbreak of foot and mouth disease.

Another point raised by a good many members of the Commons was that in their opinion this bill did not go far enough, that the minister or the board which would assess damages was not given power to fix payment to cattle owners on the basis of the economic value of the animals and other property destroyed. I do not think, though, that the Senate can do anything on this point. While we might possibly reduce the amount of money that could be expended under a bill of this kind, we certainly have no power to increase it.

I believe that in addition to the parliamentary committee that is to be set up we have been promised an interprovincial committee or conference, to be attended by provincial premiers, for the purpose of dealing with the question that was raised by the senator from New Westminster (Hon. Mr. Reid), and if possible having the provincial embargoes lifted. I should like to see both a parliamentary committee and an interprovincial conference of this kind established and it seems to me that we should have a statement from the leader of the government (Hon. Mr. Robertson) that this will be done.

An interesting and pertinent point was raised by the senator from Blaine Lake (Hon. Mr. Horner) with regard to immigrants. I think that in future there will be an insistent demand that greater care be taken in the examination of immigrants for the purpose of insuring that they do not bring with them to this country the germs or bacteria of any serious disease.

We on this side of the chamber are quite willing to facilitate passage of the bill and will do all that we can to see that it is given third reading and assented to this afternoon. But we do emphasize that the matters to which we have called attention should be dealt with in the very near future.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that the bill be referred to the Standing Committee on Natural Resources, which is to meet immediately after the Senate rises. I wish to remind the house that all senators, whether members of the committee or not, are invited to attend the meeting.

The motion was agreed to.

The Senate adjourned during pleasure.

The sitting was resumed.

FOOT AND MOUTH DISEASE BILL

REPORT OF COMMITTEE

Hon. A. L. Beaubien, Acting Chairman of the Standing Committee on Natural Resources, presented the report of the committee on Bill 7, an Act for the control and extirpation of foot and mouth disease.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources beg leave to make their second report, as follows:

Your committee have in obedience to the order of reference of March 6, 1952, examined Bill 7, an Act for the control and extirpation of Foot and Mouth Disease, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from The Assistant Secretary to the Governor General acquainting him that the Honourable Patrick Kerwin, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber today, at 6 p.m., for the purpose of giving Royal Assent to certain bills.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that when this house adjourns today it stand adjourned until Tuesday, March 11, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor-General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with

their Speaker, the Honourable the Deputy of His Excellency the Governor-General was pleased to give the Royal Assent to the following bill:

An Act for the control and extirpation of foot and mouth disease.

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, March 11, at 8 p.m.

THE SENATE

Tuesday, March 11, 1952

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

Prayers and routine proceedings.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. J. A. McDonald presented the report of the Committee of Selection.

He said: Honourable senators, perhaps if the house wishes to hear the names of the senators nominated to the various committees it will be satisfied to have the Clerk read the report. As honourable senators know, the number of members that may be appointed to any standing committee is limited by the Senate rules. Last year the membership of the Standing Committees on Transport and Communications, External Relations, and Finance was limited to seventeen members each. Your committee was aware that there had been some criticism of this reduction, and I have been directed to suggest that any honourable senator who favours an increase in the membership of these committees will be given ample opportunity either tonight or tomorrow to express his views.

The report was read by the Clerk Assistant.

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

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

Hon. Mr. Robertson: I suggest that consideration of the report be postponed until tomorrow, when it will appear in the records of the house and honourable senators will have had an opportunity to study it.

EXPORT AND IMPORT PERMITS BILL

FIRST READING

Hon. Mr. Robertson presented Bill C, an Act to amend the Export and Import Permits Act.

The bill was read the first time.

CANADIAN CURLING CHAMPIONSHIP

FELICITATIONS TO COMPETITORS

On the Orders of the Day:

Hon. John T. Haig: Honourable members, before the Orders of the Day are called I wish, first, to apologize for not having been present at the opening of the session, and second, to offer my congratulations to the young men of Canada who represented their respective provinces last week in Winnipeg in the competition for the Canadian Curling Championship.

Hon. Mr. Hugessen: Young?

Hon. Mr. Haig: Most of them were under forty, and many were under thirty-five—and throughout my twenty-three years attendance at this competition I have never seen a finer body of young men or group more creditable to the great game of curling. I offer my congratulations to the respective curling organizations who sent representatives to this competition. These young men were, as I say, a credit to their country both on and off the ice.

Hon. Mr. Burchill: Who won?

Some Hon. Senators: Hear, hear.

SPEECH FROM THE THRONE

DEBATE POSTPONED

On the Order:

Resuming the adjourned debate on the motion of the Honourable Senator Howden, seconded by the Honourable Senator Gouin, that an humble Address be presented to His Excellency the Governor General for the gracious speech which he has been pleased to deliver to both Houses of Parliament.

Hon. Mr. Haig: Honourable senators, I would ask that this order stand until tomorrow.

The order stands.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

The Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session, have the honour to report herewith the following list of senators selected by them to serve on certain of the standing committees, namely:—

Joint Committee on the Library

The Honourable the Speaker, the Honourable Senators Aseltine, Blais, Burke, David, Fallis, Gershaw, Gouin, Lambert, MacLennan, McDonald, Reid, Vien and Wilson. (14)

Joint Committee on Printing

The Honourable Senators Barbour, Blais, Bouffard, Burke, Comeau, Davies, Dennis, Euler, Fallis, Isnor, Lacasse, Nicol, Stambaugh, Stevenson, Turgeon and Wood. (16)

Joint Committee on the Restaurant

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

Standing Orders

The Honourable Senators Beaubien, Bishop, Bouchard, Duff, DeTremblay, Godbout, *Haig, Hayden, Horner, Howden, Hurturbise, MacLennan, McLean, Pratt, *Robertson and Wood. (14)

*Ex officio member

Banking and Commerce

The Honourable Senators Aseltine, Baird, Beaubien, Bouffard, Buchanan, Burchill, Campbell, Crerar, Daigle, David, Davies, Dessureault, Emmerson, Euler, Fallis, Farris, Fogo, Gershaw, Gouin, *Haig, Hardy, Hawkins, Hayden, Horner, Howard, Howden, Hugessen, King, Kinley, Lambert, MacKinnon, MacLennan, Marcotte, McDonald, McGuire, McIntyre, McKeen, McLean, Nicol, Paterson, Pirie, Pratt, Quinn, Raymond, *Robertson, Roebuck, Taylor, Vaillancourt, Vien, Wilson and Wood. (49)

*Ex officio member

Transport and Communications

The Honourable Senators Aseltine, Baird, Campbell, Davis, Dessureault, Gershaw, Grant, *Haig, Hawkins, Hayden, Horner, Hugessen, Kinley, McLean, Nicol, Paterson, Raymond, *Robertson and Reid. (17)

*Ex officio member

Miscellaneous Private Bills

The Honourable Senators Baird, Beaubien, Bouffard, David, Duff, Duffus, Dupuis, Euler, Fafard, Fallis, Farris, Godbout, *Haig, Hayden, Horner, Howard, Howden, Hugessen, Hushion, Lambert, MacLennan, McDonald, McIntyre, Nicol, Quinn, Quinton, Reid, *Robertson, Roebuck, Stambaugh and Taylor. (29)

*Ex officio member

Internal Economy and Contingent Accounts

The Honourable Senators Aseltine, Basha, Beaubien, Beauregard (Speaker), Bouffard, Campbell, Doone, Fafard, Fallis, Gouin, *Haig, Hayden, Horner, Howard, Isnor, King, Lambert, MacLennan, Marcotte, McLean, Paterson, Quinn, *Robertson, Vaillancourt, Vien and Wilson. (24)

*Ex officio member

External Relations

The Honourable Senators Beaubien, Buchanan, Burke, David, Emmerson, Farquhar, Fogo, Gouin, *Haig, Howard, Lambert, MacLennan, Marcotte, McGuire, McIntyre, *Robertson, Turgeon, Vien and Veniot. (17)

*Ex officio member

Finance

The Honourable Senators Aseltine, Barbour, Crerar, Dupuis, Fafard, Fraser, Golding, *Haig, Isnor, King, Lacasse, Petten, Pirie, Quinn, *Robertson, Stambaugh, Taylor, Vaillancourt, and Vien. (17)

*Ex officio member

Tourist Traffic

The Honourable Senators Baird, Beaubien, Bishop, Bouchard, Bouffard, Buchanan, Crerar, Daigle, Davies, Dennis, Duffus, Dupuis, DuTremblay, Fraser, Gershaw, *Haig, Horner, Isnor, King, McLean, Pirie, *Robertson, Roebuck and Ross. (22)

*Ex officio member

Debates and Reporting

The Honourable Senators Aseltine, Bishop, DuTremblay, Fallis, Grant, *Haig, Lacasse, and *Robertson. (6)

*Ex officio member

Immigration and Labour

The Honourable Senators Aseltine, Beaubien, Blais, Bouchard, Buchanan, Burchill, Burke, Calder, Campbell, Crerar, David, Davis, Dupuis, Euler, Fallis, Farquhar, Fogo, Gershaw, *Haig, Hardy, Hawkins, Horner, Hushion, MacKinnon, McIntyre, Pirie, Reid, *Robertson, Roebuck, Taylor, Turgeon, Vaillancourt, Veniot, Wilson and Wood. (33)

*Ex officio member

Canadian Trade Relations

The Honourable Senators Baird, Bishop, Blais, Buchanan, Burchill, Campbell, Crerar, Daigle, Davies, Dennis, Dessureault, Duffus, Euler, Fogo, Fraser, Gouin, *Haig, Howard, Hushion, Kinley, Lambert, MacKinnon, MacLennan, McDonald, McKeen, McLean, Nicol, Paterson, Pirie, *Robertson, Turgeon and Vaillancourt. (30)

*Ex officio member

Public Health and Welfare

The Honourable Senators Blais, Bouchard, Burchill, Burke, Comeau, David, Davis, Dupuis, Fallis, Farris, Gershaw, Golding, Grant, *Haig, Hawkins, Howden, Hurtubise, Kinley, Lacasse, McGuire, McIntyre, Pratt, *Robertson, Roebuck, Stambaugh, Veniot and Wilson. (25)

*Ex officio member

Civil Service Administration

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

*Ex officio member

Public Buildings and Grounds

The Honourable Senators Barbour, Dessureault, Fafard, Fallis, Fogo, *Haig, Horner, Lambert, McGuire, Paterson, Quinn, *Robertson, Stevenson and Wilson. (12)

*Ex officio member

THE SENATE

Wednesday, March 12, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell presented Bill D, an Act respecting the British Northwestern Fire Insurance Company.

The bill was read the first time.

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

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

UNIVERSITY DEBATING CHAMPIONSHIP

ANNOUNCEMENT OF WINNERS

Hon. T. V. Grant: Honourable senators, before the Orders of the Day are called I should like to announce that Mr. Allan MacDonald and Mr. Walter Reid, students at St. Dunstan's University, Charlottetown, and representing that university, won the Canadian University Debating Championship last Saturday evening at Ottawa. I would point out a slight error in the *Guardian* newspaper of Charlottetown, which states that they won the "Dominion" championship? It should read, the "Canadian championship."

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Wednesday, March 5, consideration of His Excellency the Governor-General's Speech at the opening of the session, and the motion of Hon. Mr. Howden for an Address in reply thereto.

Hon. John T. Haig: Honourable members, I regret that I was not here the other day to hear the address of the honourable senator from St. Boniface (Hon. Mr. Howden) and the honourable member from De Salaberry (Hon. Mr. Gouin). I had the pleasure, of course, of reading their speeches, and must congratulate them on their addresses. In this connection, I am glad the leader of the government (Hon. Mr. Robertson) chose the two honourable gentlemen from among those whom we may call "old-timers", one of whom had served also in the other place. It is an honour which is particularly appreciated, I believe, by those of us from Manitoba, that the honourable senator from St. Boniface was chosen to move the Address.

I should have liked to be here to have expressed at that time my appreciation of having been a subject of His late Majesty King George VI. He gave the world a fine example of constitutional monarchy; he was revered throughout the land, from the humblest homes to the very highest; he was beloved throughout the British Commonwealth of Nations.

I join with everyone, not only in Canada but in the world at large, in hailing the ascension to the throne of Queen Elizabeth II. Those of us who have read history are hopeful that the reign of the second Queen Elizabeth will witness as much impetus to the progress of Great Britain as did the reign of her predecessor, and that it will be for the world a period of unexampled progress in the pursuit of prosperity and happiness.

I should also like to have been here to pay tribute to the memory of my late colleague, Honourable Senator Bourque, or Dr. Bourque, as he was known to many of us. I like what the honourable senator from St. Boniface (Hon. Mr. Howden) said about him. I do not think any person can make a greater contribution to his country than can a doctor, and Dr. Bourque was a real family physician to all the people in his community. We on this side of the house will indeed miss him, and I want to join in the message conveyed to his family by my deputy leader (Hon. Mr. Aseltine), and say that we shall never forget the distinguished service rendered by the late Senator Bourque to his province and to his country.

Parliament was in session when the late Senator Aylesworth celebrated his ninety-fourth birthday a few years ago, and I should like to recall the story I told about him at that time. Two of his former students, some thirty-five years after they had served in his office, were partners in a law firm. One day they had a dispute over a legal point, so they sent down to Toronto to get Sir Allen's opinion. I was a student in the office of these partners, and I did not know who was right or wrong, but I do recall that when they received Sir Allen's opinion the matter was settled to their satisfaction. As every lawyer in this house knows, it is a great honour when a former student asks you for your opinion and abides by it.

After coming to this house Sir Allen became afflicted, and his affliction grew until he was unable to take an active part in the deliberations of this house. But he was one of our great Canadians, and in the work he

did as solicitor for Canada in several arbitrations he made an outstanding contribution to our country.

Honourable senators, I really do not intend to deal with the Speech from the Throne clause by clause. The speech refers to the hoof-and-mouth plague that has hit Western Canada, but some of us do not fully appreciate what a disaster this is and what a struggle it will be to stamp it out. I took the trouble to inquire in Winnipeg, of people who formerly lived in Germany, Great Britain, or other places where this dread disease had been experienced, and I was told that it is extremely difficult to eradicate it. Personally I will do everything I possibly can, by way of legislation or otherwise, to help stamp out this plague in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, it is true that at the end of each session the financial bill comes to us from the other place, but we in this house never have a real discussion on finance. Nevertheless, although the budget is not brought down in this house, we can discuss financial affairs, if we wish. For instance, in the debate on the Address in reply to the Speech from the Throne I can discuss any subject that I care to bring up, just as every member of the other house can discuss any subject he wishes during the debate there on the same subject. So I am going to take the liberty of discussing finance for a few minutes—not the whole problem, not the question of debt and so on, but some features of the financial situation.

First, I am going to deal with taxation, and I want to say quite candidly that I do not agree with something that was said by the Minister of Finance in the other house a few days ago. It may not make much difference whether I agree with him or not, and in any event I know that for saying I disagree with him I shall be criticized by some senators and other members of parliament, as well as by some newspapers. According to the press the minister said that we should not have pressure groups in this country trying to bring about a reduction in taxation. Well, I do not know how you can carry on democracy if people do not stampede up and down the country trying to get what they regard as a proper policy put into effect by the government. I see that the Toronto *Globe and Mail* says that the minister's view in this matter is the right one. With that I do not agree. The Winnipeg *Tribune* thinks the minister was wrong. With that I do agree.

I have been in politics—as a member of the legislature of my province and as a senator—for thirty-two years, and during that time I have received letters by the hundreds. For every person who has written to tell me that I did the right thing or suggested the right thing in a speech, ninety-nine have wanted to know why I did not do this, that, or the other thing. Well, that was an exercise of pressure. But is it not the duty of people to write their representatives in parliament and suggest what they think should be done? Haven't I got to justify what I do here?

I think that those people who made representations to the Minister of Finance paid him a high compliment. Let me say here that I think a great deal of the minister; I like him very much, and my criticism of his position does not arise from a feeling of hostility at all. My point is that if democracy is to succeed, we must have people demanding that certain things be done. Some of the people who recently made demands on the Minister of Finance were described by him as pressure groups; and in commending his stand the *Globe and Mail* said we know how pressure groups operate in the United States and we do not want them here. What the newspaper had in mind was the lobbying that is done in Washington. There is no lobbying here. The people have a right to make their views known to every one of us in parliament. I invite people who do not like what I am doing or my party is doing to write and say so. We may not always listen to them—my wife says that I never listen to her, but I may say that, although she does not know it, I sometimes do carry out her suggestions pretty carefully.

That is the way democracy lives and goes. If that were not so, why would the communists be waging such a campaign on legislators in democratic countries all over the world? They use this method for bringing about policies that they believe in, because they know that in democratic countries it is effective. I do not want any Canadian government to get into the position of believing that it is supreme, that the people have no right to challenge it. They have every right to challenge their representatives of parliament.

Hon. Mr. King: That right has never been denied.

Hon. Mr. Haig: The Minister of Finance criticized people in the automobile business or the tobacco business because they brought pressure on him, as he said, to have the taxation changed.

Hon. Mr. Beaubien: No, he commended the tobacco people.

Hon. Mr. Haig: The record of what he said is clear. Certainly the *Globe and Mail* would not have quoted it with approval if he had

not said it, for that paper would surely be the last one on earth to commend the Minister of Finance or any other member of the government for something he had not said.

Hon. Mr. Horner: He made a threat as well.

Hon. Mr. Haig: Now I want to say that our taxation on corporations is too great. There is no doubt about that. You cannot successfully tax above 54 per cent. Taxation has been about 52 per cent, and from the 1st of January this year, with the tax for old age pensions, it will be 54 per cent. That means that the earnings of a corporation must first bear a tax of 54 per cent before the shareholders get any profits; yet I can put my money into a partnership, for instance, and there will be no corporation tax on profits at all.

As an example of one corporation whose profits bear the heavy tax, I would point to the Hudson Bay Mining and Smelting Company, in which I am a small shareholder. The corporation tax on the profits of that company in 1950 were more than half the total profits. As a shareholder I got dividends of about $1,000, on which $100 depreciation was allowed, leaving a net of $900; but before taxation the company had to earn $2,000 on my capital in order to pay my dividends. Beyond that, I had to pay taxes on the $900. Had I invested in mortgages, there would have been only the tax on the interest, or only one tax on the profit.

The same is true of a partnership as I have said, where each of the partners pays only one tax on his share of the profit. People can hardly be expected to put money into industry, if they can place it elsewhere and avoid double taxation.

I come now to the question of income tax. I have only press reports to go on, but I understand that in Britain today the tax is being reduced on the people in the small income brackets, with a view to inducing them to work harder and earn more money. What inducement is there to Canadian people who earn from $3,000 to $5,000 a year, to work harder and earn more, when taxation takes such a large part of their earnings?

I am not saying that people who earn money should not pay taxes; but our system of taxation in some instances troubles me. As an illustration, I would point to a certain mercantile company in this country which, in the period 1930 to 1935, had one particular store which showed a substantial annual profit. Now, it was the brains of the manager of that store that brought about that profit, yet he paid the heaviest tax. What inducement was there for him to operate successfully? Indeed what inducement is there for any man, lawyer, doctor or businessman to extend his abilities and earn more money when his earnings are going to be taxed to the limit? In other words, why should the man who earns $40,000 a year be obliged to pay three or four times the taxation paid by another with the same opportunities who earns only $20,000? Take the case of doctors. I know many in the city who earn $40,000 a year. These men have no working capital; they just use their brains; but they are paying in income tax perhaps three times as much as the man who earns $20,000 a year. The result is that when a doctor has done so much work and earned a certain amount of money he takes a holiday. And why should he not do so?

To return to the matter of corporation tax, I am quite willing that a corporation should pay 50 per cent, but I maintain that I, as a shareholder, should be given credit for some of the tax on income derived from money that I have invested in that corporation. In Great Britain credit is given in that way, and it should be given here also. It may be argued that industry is buoyant today and is getting plenty of investment capital, but that will not always be so. Most of the money coming into Canada today is for the purchase of natural resources, such as oil from Alberta and minerals from Ontario, Quebec and other parts of Canada. But how much is coming directly to industry? In view of the taxation, I am afraid there is not very much.

I feel that the first change to be made in our system of taxation should be made with a view to encouraging people to work harder and earn more money. I am not talking about a man who has $100,000 on loan at interest, but about a lawyer or a farmer, a man who works for his money. I am sure that even my friend from Blaine Lake (Hon. Mr. Horner) would admit that there are good farmers and bad farmers, and that while one may make only $1,000 off a piece of land, another one who is more energetic and able can make $5,000 from a similar plot of land. Yet, under our system we tax this man's capacity to earn more money.

I turn next to the criticism that has been directed at the Minister of Finance regarding the surplus of some $700 million over the amount for which he budgeted. I notice that the parliamentary assistant to the Minister of Finance, the honourable member from Coast-Capilano, said in a speech in the other house that the surplus would be about $400 million, and asked "Is that not a good thing? We have saved that money," I say it is not a good thing, and I will tell you why. The parliamentary assistant estimated that there had been a per capita payment of interest of $30. He estimated that the surplus at the end of

March was $400 million although the figure given in January was of the order of $720 million, which would indicate that some money had been spent in the interim. I say that when the budget was brought down, if it was intended to include an estimated surplus of $400 million, that should have been made clear. At a time when we are struggling in preparation for war, which requires more energy than actual war, I think we are entitled to know the facts. When the estimates were brought down we should have been told that provision was being made for a surplus. A huge levy is made against the people, supposedly in preparation for war, but more money than necessary was taken, and it is now being used to pay off certain obligations.

For my part, I do not think the present generation should have to bear the cost of preparation for war today and at the same time liquidate the debts accrued from previous wars, leaving the next generation without anything to pay. When we face Russia's cold-blooded endeavour to conquer the world, we should not be required to pay debts as well as meet that terrible threat. I would not object to a policy of saving $400 million prior to the Russian threat of aggression, with a view to paying off debts over a certain period of time; but I think there is ground for criticism of the government when they say that because they have a surplus of $400 million or $700 million it can be used to pay off debts. That is no answer to the charge of excessive taxation during this period of time.

I have already quoted the Winnipeg *Tribune*: now I shall refer to the Winnipeg *Free Press*, which pointed out on Monday—what the Finance Committee of this house discovered last session—that today the Canadian provinces are spending three times as much as they spent in 1939, and that our municipalities are spending more than twice as much as they did twelve years ago. In the same period federal government expenditures have increased nearly five-fold, from $600 millions to $2,500 millions. There may be some excuse for this expansion, since it includes defence costs and war debt payments and grants in aid of veterans. But that explanation does not apply to the provinces. I am not criticising any provincial or municipal government. All I want to do is to point out that we cannot maintain expenditure at these figures without running into trouble.

At the present time, whether we like to acknowledge it or not, the world's economy is being largely upheld by the people of the United States; it is they who are putting up the money. From 1920 to 1929 the United States lent large sums to Germany, and other countries greatly benefited by these loans, but when, in 1929, they were stopped, the world "went broke". The same thing may well happen again unless the present flow of expenditure is reduced. The only way Europe can carry on is with money supplied by the United States, and the only way European countries can buy our goods is by using that money to pay for them. This condition applies to grain, cattle, aluminum, and practically all the metals required for defence purposes.

I do not intend to single out any one province for criticism, but, with an eye on the deputy leader of our party (Hon. Mr. Aseltine), I would remark that the province from which I come is the only one which has kept its governmental expenditures at a comparatively low figure. The provincial budget of Manitoba amounts to $49,000,000. Yet I can remember when it was considered outrageous for us to budget for expenditures of eighteen million dollars.

Hon. Mr. Crerar: What year was that?

Hon. Mr. Haig: That was 1935, seventeen years ago. Today, in the great province of British Columbia, annual expenditures are running to $180 million, which is approximately one-third of what Canada, as Canada, spent in 1939.

Hon. Mr. Reid: There is an election in British Columbia this year.

Hon. Mr. Haig: Oh, I forgot. When a fellow comes into this house he forgets about elections.

Hon. Mr. McKeen: Some people do.

Hon. Mr. Haig: It may be said that I am a pessimist. But I remember that, reckoned apart from Newfoundland, our population has not increased very much. If expenditure had risen in proportion to the increase of population—with, of course, some allowance for the effects of inflation—one would have less cause for alarm. I note that the Minister of Finance has announced that there will be no material cut in taxation this year. Let me point out that there is nothing which does more to promote inflation than excessive taxation. As an illustration one might take almost any industrial concern; I will cite Hudson Bay Mining and Smelting, a good company, even allowing for the present scale of taxation, in which to own stock. The company can only pay its obligations with the goods it sells. For the copper it used to sell at around nine cents per pound it now gets twenty-four cents. The difference corresponds to what is needed to take care of taxes and the results of inflation. I am receiving from

this company just about the same dividend as I got five or six years ago. In the meanwhile earnings have doubled, but the government has taken half of them. The day will come when the company cannot sell its metal for twenty-four cents, then the trouble will begin.

That is the situation, and I plead with the Minister of Finance to give the country an assurance that the government will cut all non-military expenditures and give the taxpayers the benefit of the reduction. The burden of the sales tax, excess profits tax and the hundred and one hidden taxes is tremendous. In a few years the cost-of-living index figure has risen to 190. What formerly sold for $10, an article of clothing for instance—now sells for $19, with no improvement in the product. It has not changed a bit. Even since the budget was introduced a year ago the cost of living has gone up by just about as much as taxes have been boosted beyond what they should be.

It was announced last spring by the government that the measures they were taking would halt inflation. Well, the pace may have slowed down since last November, but the cost of living to the ordinary person certainly increased a lot from a year ago. It has not gone down at all, and I do not believe the curbs imposed have had any effect. In that respect government policy has proved a complete failure.

I turn now to a somewhat brighter picture. I wholeheartedly support construction of the St. Lawrence deep waterways, and I congratulate the Minister of Transport on his campaign in support of that project, even though he may have gone a little too far. Canada should build the waterways if necessary, but the United States should carry part of the load, and I believe would have done so long ago but for the opposition of shipping interests in the gulf states and the states in the eastern section of the country. The project is needed for defence purposes, and even more, for the economy of the American continent. We in the West, especially on the prairies, know that it will mean much to us in lower freight rates and generally reduced expenses.

We all believe that the iron ore development of northern Quebec and Newfoundland will add greatly to the wealth of Canada. This development will be brought about more rapidly by the building of the St. Lawrence seaway. The Minister of Transport indicated in a speech in Winnipeg, and I suppose in other places as well, that the building of the St. Lawrence seaway would result in the simultaneous development of electric power —and nothing will bring about a greater development in our two central provinces, Ontario and Quebec, than hydro-electric power on the St. Lawrence. I admit that it is easier for the people in the West to support this bill than it is for those in the Maritimes, but I firmly believe that a hydro-electric development on the St. Lawrence will prove of immense value to the whole country. I say to the Americans, although my voice may not have much effect—

Hon. Mr. Duff: Don't believe that.

Hon. Mr. Haig: —that I hope their good judgment will prevail, and they will join us in the building of the St. Lawrence seaway. I think it will mean just as much to the United States as it will to Canada. The most that American opponents to the seaway plan can say is that it will interfere with some of their transport to the Gulf States and New York State. I am convinced that the commerce of both countries particularly of the United States, is of sufficient volume to absorb the effect of the St. Lawrence seaway without interference with other means of transportation. Further, I want to say to my friends from the Maritimes that I think their provinces will develop just as much as any other part of the country as a result of this seaway. It is my belief that Canadians are beginning to feel that one part of Canada is just as important as any other, and that the development of natural resources in the Maritime Provinces, in the Western Provinces, or in the Northwest Territories, will benefit the whole country.

I am going to deal now with a matter which really is not a subject for discussion here, the question of representation in the House of Commons. As you all know, under the British North America Act a province can never have fewer members in the House of Commons than it has in the Senate. This means that some of the provinces have more representation in the House of Commons than they would be entitled to on the basis of population. On the other hand, there are certain provinces that under redistribution will lose part of their present representation. On the basis of the last census Manitoba will lose two members from the federal house, and Saskatchewan will lose five.

Saskatchewan is the largest food-producing province in Canada, and one of the largest food-producing areas in the world. It produces wheat, a food product that is universally needed and which can always be sold. Sometimes you cannot sell apples or cheese or fish, but you can always sell wheat at a price. I have been told by those who know that the nutritional value of wheat far exceeds that of any other food. Yet, here we have the

great wheat-producing province of Saskatchewan about to lose one-quarter of its representation in the House of Commons.

I do not know what can be done about this. Under the system of representation by population you can say to me, "Well, Mr. Winnipeger, you cannot justify the arguments you are using." That may be so, but what I want to say is this: although the people from the Maritimes and British Columbia, and from Manitoba, Alberta and Saskatchewan are important, the boys we have to deal with are from Ontario and Quebec. Under the circumstances I think these two provinces should concede maximum representation to Saskatchewan and Manitoba.

At the present time Alberta is holding her own; whether she will continue to do so I do not know. I am informed that once an oil development starts producing, it requires fewer men to keep it going. This will affect the population.

Thanks to modern farm machinery, a farmer can now cultivate a whole section of land in no more time than it took his father to cultivate a half section. This tends to keep down the population in rural areas. Manitoba—if it were not for the city of Winnipeg —would lose as many members, proportionately, as Saskatchewan, and we feel keenly about the prospect of losing two members in the federal house. I am hoping that some solution will be found in the other place to give provinces such as Manitoba and Saskatchewan a standard number of members. A concession was granted to the Maritime Provinces in order to bring them into confederation. The four western provinces are represented by twenty-four senators. The three Maritime Provinces enjoy an equal representation in this house. I do not know whether to include Newfoundland among the Maritime Provinces or not; if it is included, it brings the representation of the four eastern provinces to thirty. The wealth produced by the four western provinces is much greater than that produced by the Maritimes. The West's contribution by way of taxation, even under this "mild" budget of Mr. Abbott's is much greater than that of the eastern provinces, yet they have a greater representation.

Hon. Mr. Duff: We produce the brains in the Maritimes.

Hon. Mr. Haig: In order to bring us into line with the eastern provinces, we in the West must have increased representation. I am not referring to the Senate, because I am aware of the agreement made under confederation; but I do believe that the House of Commons would be fully justified in giving the western provinces a basic representation. I do not think that a great food-producing province like Saskatchewan should have its representation cut down to five members. I realize that this is a subject with which we have nothing to do, but I wanted to state my case as a westerner.

I come now to the matter of external affairs and Korea. I believe I am expressing the view of all honourable senators when I say that we have been very much concerned since the outbreak of the war in Korea. We support what the government has been doing about the Korean situation and its expenditures there, and we are wholeheartedly behind the Korean policy of the United Nations. But some of us are really becoming uneasy. Those who heard the radio address given last Sunday by a young man who had been in Korea for some time are disturbed. It seemed to me, at least, that he described the situation that actually exists. Now we are dealing with men—I say this quite advisedly—to whom honour has no meaning at all, and I think that our dominion and the United States, along with all other members of the western bloc of the United Nations, ought to realize that negotiations with people who do not know the meaning of honour are impossible, will lead us nowhere. We are hoping for an armistice and for peace, but it is very doubtful whether any tangible results will come from the present operation in Korea.

I know that I shall get into hot water for my views on the matter that I am going to discuss next. As I say this I am looking at the senator from Cariboo (Hon. Mr. Turgeon). I get a little bit disturbed when I think about the United Nations Organization. In my opinion the session at Paris this year did nothing but provide a sounding board for Russia and her satellites.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Haig: We sent over three representatives. They may not be the ablest men in the world, but they are good Canadians. I do not always agree with them, but I believe they did their best. Yet I defy them to show any tangible result at all from that meeting. Now, we are one of the countries that ought to be able to do something worth while through the United Nations for we are not looked at with jealous eyes by the peoples of other lands. We are a relatively small nation of fourteen millions, and therefore it would strike other people that any proposal we make must come from our feeling that it is right and proper.

I repeat that the recent meeting at Paris was nothing but a sounding board for Russia. Now Russia has come out with new propaganda for making peace with Germany. Of

course it is as plain as the nose on your face—and you do not have to be a seer or the son of a seer to see it—that if West Germany joins up with the western nations Russia's day is done. That is why she is spreading so much propaganda and doing everything else possible to get Germany into her own camp.

I admit that if the senator from Cariboo (Hon. Mr. Turgeon) got up and challenged me to say what I would do in his place, I would be stuck. But let me say this. I may be a voice crying in the wilderness, but I am satisfied that the United Nations will bring us no better results than we got from the old League of Nations. I fear that at the end of the road this organization will collapse, as the other one did. Why, there would have been no war in Korea if the United States had not decided to carry it on. Russia would have vetoed the war if she had had a chance. And since the war has started the United States has done most of the fighting; the help that has come from other countries has been relatively not very much.

I believe I can prove my point that the United Nations Organization will turn out to be useless. If we felt that we could rely upon the United Nations, why did we establish the North Atlantic Treaty Organization? Russia has charged that we started it in order to get ready to fight her. That is not so. The truth is that under the United Nations alone we never could get any organization that would fight if anybody attacked us. And the only people in the world who can make Russia afraid to attack them are people armed, equipped and ready to go to war to resist aggression. It was only when we found that the United Nations could not "deliver the goods" that we established NATO. The United Nations Assembly provides a fine debating school. You meet nice people there and have a lovely time at meetings in New York and Paris, where you are treated as if you were men of the world, but do you solve any of our chief problems? I do not think so.

I have a further criticism of the government. I think it made a mistake when it changed the original system of sending representatives to the United Nations. Under that system the representatives from this country were delegates or alternates, representatives of all parties, and every one had the same power. For instance, I went to a meeting as an alternate, and I had exactly the same power as if I had been a delegate. I had a voice in the councils and represented Canada on one committee—I was chairman of the Committee on Law. Somebody may say that a poor choice was made for chairman. Well, I was the only lawyer there from Canada. I participated in the work there and saw everything that went on. We used to sit around the table at 9 o'clock in the morning, as others who have been at meetings there know. When an opinion was expressed—say by Mr. Coldwell, or Mr. Bracken, or Mr. Martin or by the leader opposite (Hon. Mr. Robertson)—that was the delegate's own opinion. Now, suppose that after listening to what was said by the leader opposite or by Mr. Martin I felt that it was right and that my view had been wrong, I would be obliged to make a turn-about and do what now appeared to be right; and the very fact of my having done so meant that afterwards in any discussion on the matter in this house I would want to support the stand that we had taken at the meeting. Perhaps a year afterwards it would become evident that I had been right after all in my original view, but I could not get up and say so after having agreed otherwise when the matter was under discussion at the United Nations. Had I not been there I would have been perfectly at liberty to ask why such and such a thing had not been done at the meeting.

Under the new system the government sends representatives as advisers, but these are not in the same position at all as delegates would be. I think our country would be better off if our foreign policy was non-partisan. It may be a little more difficult to develop a policy of that kind, and it might work a little more slowly, but it has advantages which outweigh those probable disadvantages. In New York in 1946, as the leader opposite (Hon. Mr. Robertson) will remember, when any question of expenditures by Canada came up for consideration the non-supporters of the government took no part in the discussion. We left it to the government to say what expenditures should be made. I really think that the policy of sending delegates and alternates to the meetings was an excellent one, and that in making the change the government took a retrograde step.

I will deal briefly with another point or two. Our country needs to develop its natural resources. They can and should be developed by Canadians, and the product of those resources should be handled by Canadians, so that Canada might benefit to the utmost degree possible. That is a policy which everyone of us should advocate, in season and out of season.

We face a very difficult time. This summer we are going to be asked for more contributions for Europe, for Britain, for the Middle East, and the Far East. It will strain us to meet those requests, but we know that the free world is confronted with its greatest

challenge in history. The danger is much worse than it was from 1914 to 1918 and from 1939 to 1945. I believe that we have been saved from disaster so far only because of one fact—and it is a cold, hard fact, which we all know. If the United States, with the help of Britain and Canada, had not developed the atomic bomb and threatened to use it, Russia would have moved against us. Some say that she would not have moved. That is the propaganda that has been spread around, but I think we are at the end of the propaganda. I think we are at the end of the affair in Korea, and that rather than let Russian aggression continue the western nations will stand up and fight. But we as a nation cannot go on forever spending money on armaments and thus break down our economy. If that happened the Russians would then move in. I say we must settle for some standard of peace within the next five years. To illustrate the increased cost of armaments, I would point to our airplanes and tanks, which only a few years ago were of the most modern type and today are obsolete. It is our duty, I believe, to urge the rest of the world to press Russia for a settlement that is fair to all people, in order that the world can get back to some semblance of peace. The continuation of what we are doing now will lead us into one of the worst wars we have ever known.

Some Hon. Senators: Hear, hear.

Hon. Wishart McL. Robertson: Honourable senators, I am most happy to concur in the sentiments expressed by the leader opposite in his complimentary references to the mover (Hon. Mr. Howden) and the seconder (Hon. Mr. Gouin) of the Address in reply to the Speech from the Throne. As he said, both of these honourable gentlemen have had long experience in public life. I would express particular appreciation of the excellence of the material and the delivery of the mover, both of which belied the fact that he was labouring under great physical disadvantages. I compliment him on his very able presentation. Those of us who so often have been charmed by the eloquence of the seconder, again had the pleasure of hearing a speech that was in keeping with his usual high standard. His fluency of expression and keen mind, his long experience and careful thought on all matters pertaining to Canada, together with a love for his country, combined to produce an address which all honourable senators thoroughly enjoyed.

Since the last session, honourable senators, the term of Viscount Alexander of Tunis as Governor General of Canada has ended at his own request. He has accepted the post of Minister of Defence in Mr. Churchill's government. Lord Alexander's appointment as Governor General of Canada was hailed with the greatest enthusiasm on the part of Canadians, particularly as a result of the very great prestige he enjoyed as one of the outstanding military leaders during the war. He was not among us long before our initial respect and admiration was augmented by feelings of real affection. Lord Alexander entered into the Canadian pattern easily and completely, and his charming wife and family had the same happy faculty. I had the pleasure of accompanying him, as representative of the government of the people of Canada, on his journey to Halifax, and I can say personally that my regret was unfeigned when I said goodbye to him. We can only hope that he may find it possible to visit us soon and often.

To the high office which Earl Alexander relinquished His late Majesty, on the recommendation of the Canadian government, was graciously pleased to appoint an outstanding Canadian, the Right Honourable Vincent Massey. As a statesman and diplomat, educationist and patron of the arts, Mr. Massey brings with him a dignity, a distinction and a breadth of experience which qualify him in eminent degree to grace and uphold his high office. Not the least of his personal endowments is his familiarity with and love for all ways and things Canadian; and we, as Canadians, have ample cause for pride that this is so.

It is the traditional practice, honourable senators, for the leader opposite to speak immediately following the speeches of the mover and seconder of the Address. I should like to refer specifically to some of the things he said, and on which I was able to make only hurried notes.

There are many statements of my honourable friend opposite to which I would not take serious exception. But I gathered that the major theme of his remarks was in accord with the general viewpoint of the official opposition in Canada with reference to governmental financing. The matter that seems to particularly upset the opposition in this country is that progress reports on the condition of government financing are not only good, but even better than the Minister of Finance estimated almost a year ago. This result, it would seem, is a matter of great public concern. Speaking as a Liberal and expressing the thoughts of perhaps the majority of Liberals in this house, I have difficulty in attaching any importance or enormity to the "crime" which, in the light of all the surrounding circumstances, has brought about what would seem to be a happy situation.

Although my parliamentary experience has not been as lengthy as that of some honourable senators, my memory of political matters goes back practically to the beginning of the present century. In all that time one tradition of the Liberal party stands out—indeed, it has been almost a fetish—that a government could commit no greater crime than to be careless in the matter of public finances. As a young boy I can recall waving flags and shouting when the newspapers arrived bringing the news that Mr. Fielding, or somebody else, had announced a surplus—a surplus which, I have no doubt, was larger than had been budgeted for. I do not think that a Liberal Minister of Finance, realizing the temper of his party, could do other than make an estimate—which is just an informed guess —on a reasonably conservative basis, even in normal times. However, in extraordinary days such as we are facing now, much greater care is necessary. I will go this far, honourable senators, and say that down through the years the one difference that has characterized the old-line parties is that in the matter of finance the Liberal party has perhaps shown greater efficiency than has its political opponent. I will go further and say that if one were to select one factor which has been responsible for the success of Liberalism at the polls since the turn of the century, it is the first belief on the part of most Canadians that the finances of this country are safer in the hands of a Liberal government than of the Conservatives.

My honourable friends opposite may say, "That is all very well, but a large element of luck is involved, too." I have no doubt that luck is an element in governmental financing, as, indeed, it is in ordinary business affairs. However that may be, sound government finance is the keystone of business activity, for its creates confidence on the part of the business community generally in our system of private enterprise. The matter of what businesses are to be engaged in is left entirely to the initiative of the individual, subject to his ability to raise sufficient money to finance his project; and sound government policy is a major element in his ability to obtain money. In short, it is the basis of the nation's business, and its effects have been powerful in attracting to this country the great inflow of capital which has characterized the last few years. Partly by good luck, if you choose to call it so, but certainly also by good management, no governmental finance is on a sounder basis today than is Canada's.

With this picture in mind, I am perhaps less impresed than I otherwise would be with the charges of my honourable friend and his associates that the minister is guilty of an enormous error and of careless financing, in that after nine months the progress reports indicate a surplus of $720 millions as compared with an estimated surplus for the year of some thirty millions.

How did this condition come about? What accounts for this unexpected windfall, if one cares to put it in that category? Honourable members, particularly those who have had experience in the other place know that it is customary at the beginning of the year for the government to bring down estimates, to get authority to spend, and announce a budgetary program which, if due care is shown in the preparation of the estimates and the anticipation of income, will produce a surplus. Except under the extraordinary circumstances of war, I can hardly imagine any minister undertaking to produce any other kind of a budget. Were he to do so he would certainly be severely criticized by his political friends, and, no doubt, by his political enemies.

In this connection I want to remind honourable senators of a point which, of course, is known to them all, but the significance of which should be borne in mind. In connection with estimates of expenditures and revenues there are always a certain number of capital commitments. Every now and again governmental maturities require either to be paid off in whole or in part, or refunded. For example, not long ago legislation was passed by this house authorizing the Canadian National Railways to borrow $100 millions on the guarantee of the Dominion of Canada. Certain other commitments, such as advances to the Central Mortgage and Housing Corporation on account of building programs are not met from current revenue, unless the cash happens to be available, but are the subject of borrowings. In common with my colleagues I as a member of the government am made aware of the estimates before they are presented to parliament, but needless to say we all lean heavily on the advice of the Minister of Finance and his departmental officials. From their knowledge and experience in preparing their recommendations they prognosticate future trends as best they can, and estimate revenues to be thus and such, and on that basis the budget is presented and, if parliament so decides, is adopted. It is elementary that, if receipts exceed estimates, this must occur either from the fact that revenues secured from taxation are higher than were anticipated or that, for one reason or another, expenditures are lower than the minister expected, or from a combination of both factors. This, as I say, seems so elementary that I have found great difficulty in understanding what all the hullabaloo is about.

As regards the indicated $720 millions surplus at the end of the nine-month period, anyone with experience in these matters knows that many heavy expenditures occur in the last quarter. However, it has been said by the Prime Minister and others who know something of the circumstances, that the surplus at the end of the year may well amount to three or four hundred million dollars, as compared with the thirty million dollars originally anticipated, and my honourable friends opposite may reply, "All right; even accepting those figures, the surplus is ten times as much as you estimated."

Consider, then, the question of the revenue. It may be admitted that revenues are buoyant and have exceeded expectations. The wonderful reputation which Canada has attained in the eyes of the world has brought to this country an unprecedented flow of capital, so much so that the demand for capital goods and everything else is beyond anything in our experience. The result, of course, has been to increase the volume of business, and receipts from corporation taxes, from personal income tax, duties, excise taxes and other sources of revenue have been higher than was expected. Is there anything very extraordinary about that? Does it indicate any evidence of carelessness or lack of good sound judgment? I believe, honourable senators, that the circumstances show nothing of the kind.

Let us look at the situation in which the finance ministers of the three largest provinces of Canada found themselves. The volume of business done by these three provinces probably represents two-thirds of that done by all of Canada. Let us see how inexpert were the "experts" in these provinces. Mr. Abbott miscalculated by some 8 per cent, but in Ontario revenues exceeded the estimates by 16 per cent. In the great province of British Columbia, where the then Conservative Minister of Finance was budgeting for the business of war—no doubt with good judgment—he found that his revenues exceeded his estimates by 17½ per cent. In Quebec the revenues exceeded the estimates by 18½ per cent. Therefore, on the score of revenue estimates, the judgment of Mr. Abbott and his financial advisers compares most favourably with that of the finance ministers of Ontario, Quebec, and British Columbia. The fact that federal revenues exceeded the estimates of the Minister of Finance by 8 per cent is not an extraordinary error of judgment, and it is certainly a happy coincidence that the error of judgment was to the good.

On the other side of the picture is the question of expenditures. I have not gone into all the details, and I do not think that they would be available in a comparable form. The only time you could make an intelligent appraisal would be at the end of the fiscal year, when all the accounts have been totalled. The expenditures have been less than anticipated, largely because of the fact that for one reason or another certain defence expenditures—particularly with respect to materials that were to be imported from the United States—have been delayed, and will not likely appear in our public accounts for the fiscal year ending March 31, although they will of course have to be paid during the next year. As a result of increased revenues and decreased expenditures during the fiscal period, the minister found himself with a surplus of cash in excess of what he originally expected, and he did exactly what any sound businessman would do under the circumstances in administering the affairs of his business; he said, "For the time being I have this cash surplus of some $300 or $400 million. The sensible thing for me to do is to immediately pay off some obligations that under other circumstances I might have to refund". Into that category fell the balance of one of our national loans issued in the first or second year of the war, and which had matured. The minister used some of his cash surplus to pay this off rather than to refund it. Certain other capital expenditures were dealt with in the same way. Ordinarily, to take care of them we would have had to borrow, but payment of them was made at the time in order to save interest; and in the result either our actual debt was cut down or was not increased to the degree that it otherwise would have been. I ask honourable senators whether that is not entirely in accord with the soundest financial policy? The critics get hold of a nine-month progress statement showing a $700 million surplus, and they put a ring around it as though they had not the slightest appreciation of accrued payments coming due and of all the contingent circumstances surrounding government finances. Upon my word, sometimes I doubt whether they do know what it is all about, for if they do, they take the greatest pains to hide the fact. But the people are aware of what is being done, and one thing that I am sure they will not stand for is an unsound governmental financial policy.

My honourable friend (Hon. Mr. Haig) has said that the taxes are too high. Well, I suppose any tax is too high, and I do not know of anyone who would not like to see any tax lowered. The honourable leader opposite made a point about the difference between corporation taxes of 50 per cent and 54 per cent. I am not prepared to argue on this, because I do not know enough about it. I do know that the minister himself said

recently that he felt that the corporation taxes were too high. Perhaps they are. The Prime Minister has said that in the face of the present world situation we cannot look for much relief in taxation, but he said some adjustments would be made. The word "adjustment" covers a multitude of sins.

It is often said that it takes brains to make profits. I find no fault with this, for brains are as important a factor in business as in any human endeavour. But another important factor is volume of business. A firm that has more orders than it can possibly fill is in a better position to make profits than one without enough orders to keep it operating at capacity. A man may use just as much brains during an ebb tide as he will when the tide is flowing and times are good. Indeed, he may exercise himself far more on the ebb tide than on the flowing tide, but his financial results may be very different. I will not argue the details of the difference between the present rate of tax and a rate 2 or 3 per cent higher, but I think that on the whole, business in this country has not objected much to paying a large share of the country's taxation. During the war, when our boys were offering their lives to save freedom, there was no objection to paying heavy taxes on a more or less artificial condition of business created at that time. At least I never heard of any serious objection. And, generally speaking, I think that businesses and individuals must look forward to paying heavy taxation as long as we are called upon to make such expenditures as we now have to make and see likely to have to make in the immediate future for our own protection.

My honourable friend mentioned another matter that I thought was an implied criticism of the Canadian system of taxation. He pointed out that the British Government in its wisdom had raised income tax exemptions. He is right in saying that they were raised, but I should like to draw attention to the degree or extent of the exemptions even under the new British budget. As I did not want to depend on my memory for the figures I sent out for a paper. I find that the new British rates increase a single person's earned income deduction by £10 a year to £120. Calculating this roughly at $3 a pound—I think the present rate is actually $2.80—we see that the exemption has been raised to $360. Well, ours is higher than that. Perhaps some honourable member can tell me just what it is.

An Hon. Senator: One thousand dollars.

Hon. Mr. Robertson: Thank you. My honourable friend is right in advocating the principle of higher exemption, and I would be happy, as I am sure we all would, if it were possible to have an extended application of that principle in this country. But if the British Government is entitled to credit for raising this exemption to $360, surely we should commend our own government or our own financial system which has made possible considerably greater relief from taxation for people in the same class. Then in Britain the new budget increases the exemption for a married man by £20 to £210, and the deduction from earned income for each child is fixed at £85. Taking the same rough calculation of $3 to the pound, we see that the married man's exemption has been raised to $630. Ours, I think, is $2,000. Here again I suggest that if the government of Mr. Churchill—for which I have great respect—is entitled to praise, our own government is too.

On the question of expenditures, I would point out to my honourable friend that honourable senators on this side of the house are not entirely satisfied with the present scale of outlays. In common with members of our Finance Committee and other senators, they have constantly urged that every possible economy be made. I have no doubt that that committee, with the support of the house, will continue to point out directions in which it feels that savings can be made; and if, as a result, some expenditures can be reduced, so much the better.

But, honourable senators, let us make no mistake about it: the pay-as-you-go policy is on a pretty sound basis with the present government. I think it will be generally agreed that during the last war the then Minister of Finance showed a great deal of moral courage when he insisted that one-half of the expenditures be paid as we went along—a much larger percentage than had ever been paid in similar circumstances before—and that because of that the country's debt at the end of the war was much less than it otherwise would have been. I am unable to enter into argument with my honourable friend on the desirability of economy. I feel sure that all honourable senators agree with him on this point; certainly those of us on this side of the house do.

My honourable friend had a good deal to say about the United Nations. Now I must confess that sometimes it is easy to become discouraged about the progress made in international affairs in the very strained condition that they are now in and are likely to be in for a long period of time, I do not know that any harm can come from the fact—indeed a great deal of good may come—that far apart though some of the major countries of the world seem to be on certain points at present at least their representatives will meet and agree to meet. I admit that there seems to be a lot of propaganda coming out of the

countries with which we differ so radically in almost everything, but I feel that in international affairs we have got to exercise the patience of Job. If in due course we find that it is impossible to make the progress we had hoped for, we shall have to take the best step that then seems advisable.

I do not think there was anything inconsistent in the setting up of the North Atlantic Treaty Organization for mutual defence of the western nations. That organization was established under the aegis of the United Nations. In the early days of the United Nations—at the San Francisco meeting, for instance, at which the honourable senator from Kootenay East (Hon. Mr. King) was present—there was expressed the fond hope that a device might be worked out for the establishment of some kind of armed police force under the supervision of the United Nations. That hope prevailed for some period of time, during which governments postponed the increasing of their own armaments or the making of arrangements with friendly nations for mutual defence. Admittedly it was a pretty thin hope, and circumstances later showed it to be impossible of realization. Nevertheless, for a time there was that hope. And when it was found to be unrealizable it dawned upon the peoples of the western world who believe in the democratic way of life that there was a great community of interest among them, and that to prevent an attack on themselves it would be wise to prepare for their common defence. It was felt that if defence preparations were made, either one of two things would happen: either the western world would be better prepared if war did come, or the very fact that they were prepared would prevent an enemy from attacking them. As Mr. Churchill emphasized at different times, had the democratic nations been better prepared in 1939 war might not have broken out.

Hon. Mr. Reid: Would the honourable gentleman permit a question?

Hon. Mr. Robertson: Certainly.

Hon. Mr. Reid: Can he tell us how many countries of the United Nations have responded to the call for help and are now bearing the brunt of the battle in Korea?

Hon. Mr. Robertson: If I may make a guess, I would say about ten or twelve. But I would remind my honourable friend and others that among the members of the United Nations there is a great variety of viewpoints and a great difference in resources. It is vain to hope that the peoples of some countries will quickly embrace the ideas that prevail in the western world. This is something that will come about only after years of patient effort, if at all. It may be that in the end all effort will fail. No one knows, but we all hope that will not happen. In any event I think that what is being done is worthwhile and deserves our co-operation. The aims of NATO for mutual defence, and those of the United Nations Organization to raise the standard of living throughout the world may be beyond our realization. It would appear at times that the publicity departments of these organizations are not very efficient. I know that much has been done to relieve the distress of children and to feed hungry people. For my part, I believe that nothing will be lost by reason of our participation in such movements, regardless of whether the organizations sponsoring them survive. I agree with my honourable friend that the results are often discouraging, but I think we should adopt a positive rather than a negative attitude, and do what we can to make the program a success.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Lambert was agreed to, and the debate was adjourned.

STANDING COMMITTEES

REPORT OF COMMITTEE—CONSIDERATION POSTPONED

The Senate proceeded to consideration of the report of the Committee of Selection.

Hon. Mr. McDonald: Honourable senators, I move the adoption of the report.

Hon. Mr. King: Honourable senators, I do not wish to delay consideration of this report, but, as the chairman indicated last evening, there may be some who would like to speak to the report. In these circumstances I think it would be in the interest of the Senate as a whole if the matter were delayed and discussed fully on Wednesday next.

I would move that consideration be postponed until that date.

The motion of Hon. Mr. King was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 13, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Wood presented Bill O, an Act to incorporate Boundary Pipeline Corporation.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert (for Hon. Mr. Euler) presented Bill P, an Act to incorporate the Perth Mutual Fire Insurance Company.

The bill was read the first time.

NAVIGATION SCHOOLS

INQUIRY

Hon. Mr. Duff inquired of the government:

(1) How many nautical or navigation schools for the teaching of navigation to seamen are there in the four maritime provinces, giving the location of said schools, and the names, addresses and marine standing of the staff?

(2) What are the names and addresses of the examiner or examiners in each examining centre in each province?

(3) What person or organization prepares the questions which are afterwards submitted to the seaman for his written answers?

(4) How many seamen applied for certificates and took the written examination during the last two years?

(5) Was any part of said examination oral?

(6) How many seamen in the four maritime provinces took said examinations and received certificates for master (a) for home trade service and also for foreign trade and (b) for mates, first, second and third, for home trade service and also foreign service?

(7) How many seamen who applied for and were examined for (a) foreign service (b) home trade service passed said examination and have received or have been recommended to receive certificates during 1951 and also during the months of January and February, 1952?

(8) How many seamen who studied at said navigation schools in the said four provinces and took the examinations did not pass said examinations?

Hon. Mr. Robertson: The answers to the questions are as follows:

1. Nautical education in the Maritime Provinces is under the jurisdiction of provincial governments.

2. Captain N. S. Halfyard, Examiner of Masters and Mates, Room 308 Marshall Building, 127 Water St. East, St. John's, Newfoundland; Captain H. D. Mackay, Examiner of Masters and Mates, Room 42 Customs Building, Halifax, N.S; Captain C. L. Waterhouse, Acting Supervising Examiner of Masters and Mates, Room 42 Customs Building, Halifax, N.S.; Captain C. M. Seeley, Examiner of Masters and Mates, Yarmouth, N.S.

3. Papers for Masters and Mates examinations are prepared by the Nautical Division of the Department of Transport, Ottawa.

4. 436.

5. Yes.

6. In 1951: *Foreign Service*—Master, 19; Mate, 12; Second Mate, 10; Third Mate, nil. *Home Trade Service*—Master, 45; Mate, 18; Second Mate, nil; Third Mate, nil.

7. In 1951: Answered by number 6. In 1952: (a) 2; (b) 5.

8. 23.

EXPORT AND IMPORT PERMITS BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill C, an Act to amend the Export and Import Permits Act.

Hon. Mr. Robertson: Honourable senators, I am prepared to proceed with the explanation of this bill today, but as I am sure that honourable senators would like to have the bill referred to committee, I would ask that the Order stand until next week, when our committees will be set up.

The Hon. the Speaker: The Order stands.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of Bill D, an Act respecting the British Northwestern Fire Insurance Company.

Hon. Mr. Haig: Explain! It is such an involved bill that I think you had better explain it.

Hon. G. P. Campbell: Honourable senators, I shall not take long in explaining this bill, because I am sure everyone here is eager to ask questions of witnesses when the bill gets to committee.

The British Northwestern Fire Insurance Company is a very old company, having been established about 1906. Since it is authorized to engage in all forms of insurance, and has been writing different forms of insurance in the past, it is felt that the word "Fire" should be dropped from the title, so that the public will not be misled into thinking that the company writes only fire insurance. This bill would change the name of the company from the British Northwestern Fire Insurance Company to the British Northwestern Insurance Company.

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

REFERRED TO COMMITTEE

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

Some Hon. Senators: Now.

Hon. Mr. Campbell: Since members of the Senate would like to have the bill given third reading now, I suppose that could be done, except for the rules. I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill E, an Act for the relief of Shirley Doreen Rowe.

Bill F, an Act for the relief of Dorothy Minnie Hogbin Neale.

Bill G, an Act for the relief of Dorothy Ailsie Jean Coghlin Hands.

Bill H, an Act for the relief of John Hellmann.

Bill I, an Act for the relief of Myrtle Jesse Marie Gangin dit Gilmore Cooney.

Bill J, an Act for the relief of Hilda Richardson Tait.

Bill K, an Act for the relief of Catherine Vaughan Troy Campbell.

Bill L, an Act for the relief of Mary Margaret Graham.

Bill M, an Act for the relief of Bernice Pomp Gates, otherwise known as Bernice Frank Gates.

Bill N, an Act for the relief of Mary Mildred Antoinette Castonguay Smithson.

The bills were read the first time.

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

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Norman P. Lambert: Honourable senators, I should like to add a word or two by way of elaboration to the very excellent speech that was delivered last week by the seconder of the motion for an Address in reply to the Speech from the Throne, my esteemed colleague the senator from De Salaberry (Hon. Mr. Gouin). I can assure him and all other senators that what I have to say will be in no way an attempt "to gild the lily," for I realize thoroughly how impossible that would be. Rather I should like to devote my thoughts to what might be described as digging a little more widely around the roots of the beloved Canadian tree whose growth he sketched so effectively.

Before proceeding with the main portion of what I have to say, I should like to convey to the mover (Hon. Mr. Howden) and the seconder (Hon. Mr. Gouin) of the motion before us my sincerest compliments upon their worthy contributions to the beginning of this debate. Both of them referred, quite properly—and quite appropriately, at this time—to the appointment of a Canadian to the post of Governor General of Canada. The senator from De Salaberry sketched very interestingly the evolutionary development of Canada's status from that of a colony to that of nationhood, and in doing so particularly mentioned the contribution which has been made to this end by our present very distinguished Prime Minister—a reference with which I should like to associate myself in great sincerity. I shall try to show later that he has the distinction of having given fruition to certain ideas and ideals which first took form after World War I. In the meantime I think it can be said without fear of dispute that he has the distinction of having given a substantial measure of reality to our nationhood.

No one would recognize more quickly than the present Prime Minister the milestones which have marked the roadway along which we have travelled during the past thirty-five years. In the field of constitutional development one feels that his sure and authoritative leadership, backed by his very unusual training and qualifications, give him a place in this country which I might liken to that assigned to Alexander Hamilton at the beginning of the federation of the United States. Someone said of him that he represented the very essence of the law, and that principles emanated from his mind simply because it was a natural repository of the principles of the law. In the case of the present Prime Minister, I feel that he is the very embodiment of our law and constitution. In that field he is part of all we have been, and his actions reflect a full appreciation of the past as well as the present. It is fitting therefore that reference should be made in this

chamber to the broad non-partisan character of certain phases of our constitutional progress.

I have referred to certain events which date back to the conclusion of the First World War. In that connection it should be pointed out at this time that it actually fell to the lot of the late Sir Robert Borden—

Hon. Mr. MacLennan: A Nova Scotian.

Hon. Mr. Lambert: —to pave the roadway that led to the inaugural ceremony which marked the opening of this parliament on February 28 last. For the purpose of making this point clear and amplifying the record at this time, I should like to quote briefly from the second volume of *Robert Laird Borden, His Memoirs*, at page 900. The following words are quoted from notes which he made in January, 1919, when he was in London and Paris. They relate to a conversation he had with General Botha, the Premier of South Africa, at that time, and General Smuts, a member of General Botha's government. I quote:

> On January 15, at the Committee of the League of Nations, I proposed changes that would make the representation of the British empire accord with constitutional development from time to time.
>
> On the following day Botha called to discuss the appointment of Governors-General and expressed the view that the selection should not be confined to residents of Great Britain. He brought a paper prepared by Smuts and requested me to take the matter up with Lloyd George. I found Lloyd George's outlook more restricted than ever before. He felt that appointment from the British Islands was quite essential, as it constituted the last link between each dominion and Great Britain. I replied that if the empire's unity depended uopn that link, it was not very secure. The view then entertained by Lloyd George did not persist, as, first in Ireland and afterwards in Australia, a native of the dominion has been appointed. Botha's view seemed to me entirely reasonable.

Hon. Mr. Buchanan: That is from Borden?

Hon. Mr. Lambert: That is from Sir Robert Borden's memoirs, published under the editorship of his nephew, Mr. Henry Borden, and bearing a foreword by the Right Honourable Arthur Meighen.

May I add to this quotation another brief extract from the memo prepared at that time by General Smuts, and published as a foot-note on pages 900 and 901 of Sir Robert's memoirs. That memorandum was referred to in my previous quotation as having been handed to Sir Robert Borden by the premier of South Africa, General Botha. It reads:

> Present practice is to appoint dominion Governors-General from the ranks of eminent British politicians or public servants, and in their office to regard them not merely as the representatives of the King in the dominions but also as the representatives of the British government and the channel of communication between the colonial office and the dominion governments. It may be pointed out that the time has come to alter this practice and to recognize the Governor-General in the dominion as in an analogous position to the King in Great Britain. He should not have any obligations towards the British government but should be merely the constitutional representative of the Sovereign in the dominion . . . He should merely discharge in the dominion functions analogous to those discharged by the King in Great Britain. And lastly, he should no longer be appointed from the ranks of British politicians or public servants but from eminent residents in the dominion to which he is appointed. There is no doubt that men of great suitability for the purpose will be found in all the dominions . . . That such a step would have the most far-reaching effect in cementing together the members of the great British League of Nations needs no argument. And the psychological moment for inaugurating the change is now, at the end of the war, when it will appeal with irresistible and abiding effect to the general instincts and loyal sentiments of all the dominion peoples.

Many other quotations bearing upon this subject could be cited, but I do not wish to take up the time of this house by reading them.

One further brief reference which I would like to make is contained in a little book entitled *In Smuts's Camp*, by Mr. Basil K. Long, an eminent British journalist who in 1917 was attached to the editorial staff of the London *Times*. Previously he had been an editor of the *Cape Times* in South Africa. He tells of a memorable interview he had with Sir Robert Borden in that year. I commend this very interesting little volume of 154 pages to all who have not read it. On pages 50 and 51 the author records the following:

> Then Borden began to talk about the dominions. He said that he thought it was time that they stood on their own feet. They had sent their men to fight for France, and their contingents had greatly distinguished themselves. After the war was over, they shouldn't just go back to being colonies of Great Britain. They had proved their right to "full nationhood"—that, I am pretty sure, was the exact phrase he used—and they ought to have it. Now was the time to work out the plans that would be necessary.

Further, on the next page, Mr. Long records these words, and in this reference I might say he introduced the name of the late John W. Dafoe, the great Liberal editor of the *Winnipeg Free Press*, who was in London, England, at that time, as he was later, in 1919. Mr. Long says this:

> He wanted me to meet Mr. Dafoe, because Dafoe had worked out, in rough outline, the new idea for dominion nationhood. Borden then explained the idea to me. It was, in all essentials, the idea which, nine years later, was to be embodied in the declaration of the 1926 Imperial Conference. Borden clearly gave me to understand that it had originated with John Dafoe, who, I have no doubt whatever, is the real author of dominion status, though possibly Smuts's brain was working on similar lines at the same time . . . Borden's role was to prepare the ground by talks with leaders in Great Britain and the other dominions. The 1917 meeting of the Imperial War Cabinet gave him his opportunity.

He was a born negotiator. The most sceptical and cynical of men could not hesitate to trust him implicitly. His instinct was invariably towards the greatest possible frankness, but he was the reverse of being over-blunt or tactless, as so many very frank people tend to be. His mind worked cautiously, but, when it was made up, he moved towards his object with firm deliberation.

In order to round out this record I should like to conclude this part of my remarks with a quotation from a letter written in 1943 by the late J. W. Dafoe who, as you all know, represented the Canadian Press in London and Paris at the conclusion of the First Great War. He had this to say about Sir Robert.

His stature rises as the perspective lengthens, but it has some way to go yet before justice is done him. I had many a heart to heart talk with him down the years, and after each of them, I was in the habit of saying to myself, "Either he's a Grit in disguise, or I'm a Tory."

Some Hon. Senators: Oh, oh.

Hon. Mr. Lambert: It must be clear, honourable senators, from these references that what was done here to make the opening of this session of parliament an historic occasion of real importance was the result of the impact of two great wars upon the opinion and the mind of this country, regardless of political or racial distinctions. The effect of that impact in the beginning was reflected through Sir Robert Borden, whose strength of character and integrity of mind left one of the main corner-stones upon which the present Prime Minister has been able to add to the constitutional structure of this country.

I should like to conclude these remarks by saying that I consider these references, better than any current comment that can be made, to establish the broad national base upon which Canada's constitutional structure is founded, and upon which rests the recent selection of a Canadian as Governor General.

Before taking my seat I should like to refer to another ceremony of historic importance, which took place in Ottawa shortly before the opening of parliament. I refer to the formal enrolment of Lord Alexander of Tunis as a member of the Privy Council of Canada, after he had vacated his vice-regal post here and before he had left these shores. I do not think any happier or more appropriate event could have marked those days of transition from one period to another in the affairs of Government House. In the relatively short period of about six years, Lord Alexander, without apparent effort on his part or on that of anyone else, made an enduring place for himself in the hearts and minds of Canadians everywhere. He became a Canadian himself, and in return was sincerely regarded as our most distinguished adopted citizen. His own words of farewell delivered to the people of this country from Halifax, where he was accompanied by the honourable leader of the Senate (Hon. Mr. Robertson), bore eloquent testimony to that fact. As a Canadian Privy Councillor in his own right, his link with Canada has been clearly defined; and on the other hand, our own life has been deeply enriched by this relationship.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Reid was agreed to, and the debate was adjourned.

The Senate adjourned until Tuesday, March 18, at 8 p.m.

THE SENATE

Tuesday, March 18, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Cyrille Vaillancourt presented Bill Q, an Act respecting Gulf Pulp and Paper Company.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: With leave of the Senate, tomorrow.

CANADIAN BROADCASTING CORPORATION

INQUIRY

Hon. Mr. Reid inquired of the government:

(1) Has the Canadian Broadcasting Corporation carried out the recommendations of the royal commission as contained in their report to parliament in 1951, and as outlined under sections M, N and O in page 297 of their report?

(2) If so, which of these recommendations have been carried out or put into effect?

Hon. Mr. Robertson: The answers to the questions are as follows:

1. The Canadian Broacasting Corporation is carrying out recommendations M and N.

2. Under O the Board of Governors is considering the advisability of appointing a National Advisory Council on Talks.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine moved the second reading of the following bills:

Bill E, an Act for the relief of Shirley Doreen Rowe.

Bill F, an Act for the relief of Dorothy Minnie Hogbin Neale.

Bill G, an Act for the relief of Dorothy Ailsie Jean Coglin Hands.

Bill H, an Act for the relief of John Hellmann.

Bill I, an Act for the relief of Myrtle Jesse Marie Gangin dit Gilmore Cooney.

Bill J, an Act for the relief of Hilda Richardson Tait.

Bill K, an Act for the relief of Catherine Vaughan Troy Campbell.

Bill L, an Act for the relief of Mary Margaret Graham.

Bill M, an Act for the relief of Bernice Pomp Gates, otherwise known as Bernice Frank Gates.

Bill N, an Act for the relief of Mary Mildred Antoinette Castonguay Smithson.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move that they be read the third time now.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, March 13, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of the Hon. Mr. Howden for an Address in reply thereto.

Hon. Thomas Reid: Honourable senators, in rising to take part in the debate, may I first of all extend my congratulations to the speakers who have preceded me on their excellent addresses. I particularly wish to commend the speech of the senator from De Salaberry (Hon. Mr. Gouin) and that of the senator from Ottawa (Hon. Mr. Lambert). I think those of us who had the privilege of hearing those speeches will agree that they dealt in an excellent way with a matter that is of much importance at present, the appointment for the first time of a Canadian as Governor General of this country. In my opinion, honourable senators, if that appointment does nothing else than remove the doubts of great numbers of United States citizens as to the government of Canada, it will certainly be a most forward and welcome step.

I do not know how many of you have noted in the *Canadian Letter* that Blair Fraser is quoted as saying that questions are still being asked by United States citizens as to how much the Canadian people pay every year in taxes to support the British monarchy. In the same publication Leslie Roberts made this very appropriate comment:

> For a score of reasons such as these and because of the increasingly closer economic and defence ties of the two countries, the moment seems opportune for the laying of ghosts which have been hanging in the north American cupboard since Canada ceased being a group of British colonies and became a confederated nation in 1867.

Now that tradition has been broken and we have a Canadian as Governor General, I would make one further humble suggestion: I think he should attend as often as possible and personally give the Royal Assent to bills

passed by parliament. I make this suggestion with no disrespect to those gentlemen who act as deputy of His Excellency, but because I think his personal attendance would add greatly to the dignity of parliament, and would in general be well received.

I should like to further suggest that our embassy in Washington be made truly Canadian. Last year I drew the attention of the house to a visit I made there, and I spoke of my surprise at finding that there was not a picture of the Prime Minister or any other Canadian in the embassy. No doubt the people of the United States who visit there must feel that Canada is still a part of England.

The Speech from the Throne contains reference to much important legislation. I should like at this time to repeat an appeal that has often been made, namely, that legislation be brought down in orderly fashion instead of important measures being left to be brought down in the dying days of the session, as has so often happened, when neither members of the other place nor senators have sufficient opportunity to give them the consideration they deserve.

The leader opposite (Hon. Mr. Haig) in his speech a few days ago, made a remark which I do not think was well received by some members. He proposed the dissolution of the United Nations as an organization. He was in favour, of course, of strengthening NATO. As I looked around the chamber I could see that many did not agree with his opinion. When he spoke of the United Nations having become a powerful propaganda machine for Soviet Russia, he spoke a truth which everyone in this country fully realizes.

I recently read a statement which illustrates this very well. It is to this effect: "Russia makes germ warfare charge again." At the United Nations she made the charge that the United States and her allies were using germ warfare in Korea in an endeavour to kill off the enemy. Propaganda like that goes out over the air and also appears in the press, and it has been doing so ever since the United Nations was set up. I am one of those who believe that the western countries do not fully appreciate the power of propaganda. Statements are made regardless of the truth, and very often they are deliberate lies. As a consequence many people in this country and elsewhere are wondering in their own minds what nation is telling the truth. Russia has made full use of propaganda of this kind to undermine resistance in the western countries. I suggest that we must give serious attention to what she is doing to confuse and undermine people's thoughts.

Not so long ago I was looking over a report of the United Nations Organization. I do not know how many senators have taken the time to read this rather interesting document. Having been born in that part of the British Isles where the natives naturally look at finance, the financial section soon caught my eye. I found that the state which makes the greatest use of UNO for propaganda purposes is not making a fair or proportionate contribution to its funds. If you turn to page 185 of the report of the United Nations for last year you will find that to the budget of this organization—whose expenditures are constantly increasing, and are now around $82,000,000 a year—the United States contributes 38·92 per cent, the United Kingdom 11·3 per cent, and Soviet Russia only 6·98 per cent. Of the sixty member countries not more than fourteen contribute materially to the upkeep of UN. Russia, which makes the fullest use of UN for its own selfish purposes, and has a population of about 175 million people, pays only 6·98 of the total budget, whilst Canada, with a population of some 14 millions, is contributing 3·30 per cent.

I would like to see a committee of this house set up to find out more about what is going on under UNO. I noted in the press the other day that one of the agencies of UN is to engage in writing a history of the world. The project may be a very laudable one, although I have always thought that there are already enough world histories. But no: a thousand scholars are to join in writing a history of mankind. I am one of those who gravely doubt the value of many of the activities which are being carried on under FAO and UNESCO, and some other like agencies of the United Nations. So many organizations indicated by strings of letters are in existence that it would take a whole evening to recite them all, and I doubt whether many honourable senators know any more about them than their initials.

I do not think Soviet Russia deserves any credit for anything she has done, but I would point out that she has taken good care not to join any of the sub-agencies of UNO. Her representatives are not to be found either in the World Health Organization or in various other agencies. She avoids entirely playing around with that kind of thing. Canada follows along as one of the team. As a nation, and a very important one, it is time we took stock of our position and expressed views of our own on these matters. I should be delighted if a Senate Committee were set up to inquire into all this. Bear in mind, we have given the officials who have left this country plenary powers shall I say, which enable them to come and go freely without being subject to income tax. It is well known that the United States has filled many of the

jobs in the United Nations with people who might almost be termed political favourites. They can usually find them nice jobs with the United Nations, and off they go. A cartoonist recently drew attention to the fact that the United Nations, have a permanent place now built in which to fight their battles; and those who review the work of the United Nations realize that they have done little else. I know this observation will not go down particularly well with those who have attended the meetings of the United Nations, because delegates to that organization naturally feel that they have to support it. But I have talked off the record with many of these delegates, and in conversation they do not sound as confident of the deliberations of that organization as they do when they make a public recital about their trip to UN headquarters. I think our Prime Minister said the other day, that in view of present world conditions we should be using all our might and strength in aid of NATO rather than the United Nations. With that I agree.

I shall now devote the balance of my remarks to the Fisheries Treaty recently agreed upon at Tokyo by representatives of Canada, the United States and Japan. I do so principally on account of the high pressure campaign put on by certain officials of the United Fishermen's Union and the Allied Workers of British Columbia. This campaign is designed, in my opinion, for the purpose of causing friction between Canada and the United States. According to an item appearing in the Vancouver *Daily Province* of February 11, some 12,000 postcards similar to the one I hold in my hand have been sent out to members of parliament, and intimation has been given that an all-out battle will be staged to prevent the treaty's ratification at this session of parliament. Many of the statements which have been made in condemning the proposed treaty are so wild, inaccurate and misleading, that one wonders what is really behind all the agitation. Let me refer to just one or two of these statements in proof of what I have just said. The secretary of the United Fishermen says that the pact represents "a complete sell-out of Canadian fishing interests". Further on he says that the United Fishermen view the Japanese treaty as "the key to complete American control of Pacific fisheries. Then further he adds that the provisions of the treaty's annex place no restraint on American fishermen, and that "Canada and Japan were the only losers, because we both have to stay out of the Bering Sea." To support what I said earlier about this campaign being conducted for the sole purpose of creating friction or trouble between Canada and the United States, I want to point out that these three statements are complaints directed against the United States.

The other night the leader of the opposition (Hon. Mr. Haig) rather championed high pressure campaigning. I have no great fault to find with his remarks, but I do object to a high pressure campaign which produces misstatements and untruths. We all recall the high pressure campaign for peace which many in this country were asked to endorse not so long ago, and which later turned out to have been engineered by the adherents of the Moscow doctrine.

As I say, the postcard sent out is inaccurate and misleading, and shows the subtlety with which this high pressure campaign is being conducted. As evidence of this, I would point to the fact that the statement leaves out the vital part of the clause in the treaty which deals with the three species of fish in the open offshore waters of the Pacific Ocean, from the Gulf of Alaska south, which at present are being protected or conserved by Canada or the United States.

At the present time Canada and the United States have treaties for the conservation of both halibut and salmon, whilst Canada has protected the herring. Both countries have spent large sums of money each year to protect and conserve these three species of fish. Under the proposed treaty these three species of fish—the most important of all fish caught in British Columbia—cannot be fished for by the Japanese. Japan can only ask for participation in these fisheries, five years from the signing of the treaty, if Canada and the United States are not conserving these three stocks of fish. That part of the treaty, however, has been left out by the promoters of this campaign. The following is the wording of the postcard which is sent to members of parliament, and is signed by some of them.

> I consider the tripartite treaty proposed by the United States to be harmful to the Canadian fishing industry, since it established the right of Japanese vessels to exploit certain species of fish off the B.C. coast immediately, and to request participation in the exploitation of salmon, herring and halibut in our offshore waters after a lapse of five years.

That is certainly a misleading statement. And by what stretch of imagination could anyone even infer that we would scrap the Halibut Treaty or the treaty protecting the Fraser River sockeye, or fail to conserve the herring? If we are so utterly foolish as to do such a thing, Japan or any other nation would be perfectly justified in invading the offshore fisheries of the Pacific.

The statement contained in the postcard is not truthful, and is, as I say, therefore very misleading, and I am surprised at some members of parliament lending their support to

this kind of propaganda. That is what sometimes happens under high pressure campaigns such as this. I am of the opinion that if such members really knew anything about the fishing industry in British Columbia, or understood the proposed treaty, they would not be lending themselves to the present misleading, high pressure campaign. However, if they want to do so, it is their responsibility, and I suppose nothing can be done about it.

It should be noted in passing that the three main fisheries in British Columbia coastal waters are the halibut, salmon and herring fisheries. When the Japanese entered Bristol Bay, up north, in 1936, we in British Columbia were fearful that later they might come down the coast and fish for those three species. We were fearful particularly that they would fish for salmon and halibut, and of course for our herring as well. It should be borne in mind that Japan is some 6,000 miles distant from British Columbia's coastal fisheries, and it is not reasonable to expect that Japanese fishing vessels are going to travel all that distance unless they can fish for the varieties that are both plentiful and profitable.

Let us examine for a moment, therefore, the extent of British Columbia's fisheries and their value to our economy. The figures for 1951 show that the landed value of salmon was $28,970,000. The landed value of herring was $5,154,945, although the catch was in the neighbourhood of 367 million pounds. The landed value of the Canadian catch of halibut was $3,670,000, whilst that of all other species of fish caught in our waters amounted to only $3,075,000. In other words, the total value of all landed fish of the three chief varieties—salmon, halibut and herring—was $37,821,945, and that of all other species only amounted to $3,075,000. Is it any wonder, then, that the question is asked why at present all the agitation, and why all the furore, and false and misleading statements?

Under the treaty, Canadian and United States interests in these three main fisheries on the Pacific are fully recognized by the Japanese, and so Japan agrees not to exploit them. The treaty goes much further, however, for under its provisions the United States Government admits openly that Canadian fishermen have, with United States fishermen, the right to exploit all species of fish from the Gulf of Alaska southwards. That means right down the coast as far southward as the Straits of Juan de Fuca, and down farther south along the coast of the United States proper.

This is quite a concession to our B.C. fishermen because up until the present time no Canadian has had the right to fish in Alaskan waters. I hold here a paper showing that in 1924 the United States chased a Canadian fishing boat out of Clarence strait in Alaskan waters, and later fined the owner for illegal fishing, although the vessel had been twenty miles off shore. Also in 1946 the Americans raised quite a furore because Canadians were trolling in Alaskan waters. I mention that particularly to refute the statement which has been made time and again by those in charge of an insidious campaign that Canada gets nothing out of the treaty and that we have been sold down the river to the United States. Nothing is further from the truth.

This concession will be of tremendous importance to British Columbia fishermen, especially as it has long been contended that most of the salmon in the Gulf of Alaska head for the Skeena river, where they were born and raised. This valuable concession granted to British Columbia fishermen may very well bring about a much needed treaty between Canada and the United States covering Skeena river and Alaskan salmon, and similar to the treaty between the United States and Canada for the sockeye salmon of the Fraser river.

Now for a few minutes I want to deal with that part of the treaty which has to do with Bristol Bay in Alaska, a fishery long recognized as an entirely United States fishery for red or sockeye salmon, and one which almost caused war between the United States and Japan in 1937, some four years before it actually occurred. Alaska, it should be pointed out, is largely if not entirely dependent on the fishing industry for its economy and well-being. Eighty-two per cent of all its revenues are derived from fisheries. The Bristol Bay area alone provides employment for some 10,000 persons, with the catch of red salmon running between one and a half to two million cases annually. The Americans claim that the salmon in the offshore waters of Bristol Bay spawn in the rivers and lakes of Alaskan territory, and that the United States has spent large sums of money to preserve these salmon. Records show that that country has spent for this purpose $360,000 annually, or some $3½ million in ten years. That was why the United States requested Japan, in November 1937, prior to Japan's entry into war, to get out of Bristol Bay.

Japan, it should be noted, had commenced in 1936 a three-year scientific survey of the Bristol Bay fisheries, and had one more year left to finish that survey. The fact that Japan was at the time occupied with China was one of the main reasons, I believe, for Japan's agreeing to withdraw; and strange indeed it is after all the scientific knowledge Japan had about Bristol Bay salmon, that at the treaty hearings in China she did not seriously dispute the United States' contention that the

salmon in the offshore waters of Bristol Bay were born and raised in United States territory and hence rightfully belonged to the United States.

In view of this contention, then, by what right could Canada morally lay claim to British Columbia fishermen being granted the privilege of fishing for red salmon in Bristol Bay? To talk about Canada giving in to the United States is just rot and balderdash. Canada has no vested interest in and has done nothing to preserve the salmon of Bristol Bay. To suggest further that Canadian fishermen might fish there if they had the right, seems to me also to be an extremely far-fetched statement in the light of the fact that Bristol Bay is some 1,500 miles away from Prince Rupert, the northern British Columbia port and city.

Even under the Halibut Treaty, no Canadian fishboats have ever ventured into Area Four, which is in Bristol Bay, and is one of the areas designated for halibut fishing by the Fisheries Commission.

It should be particularly noted that the Americans did not get all their own way, even as regards Bristol Bay red salmon. They claimed, as I have stated, that the red salmon of Bristol Bay were strictly American fish, as these fish were on their way to Alaskan territory, where they were born and raised. This contention, it should be pointed out, is now going to be investigated by the commission to be set up under the treaty, and if it is found after scientific research that salmon in Bristol Bay intermingle and are not all going to Alaskan rivers and lakes, the Bristol Bay waters will be thrown open for both Japanese and Canadian fishermen.

Nothing in my opinion could be fairer. Such an agreement is anything but a knuckling down to United States' interests, and when one considers how much money the United States have spent to protect and preserve the red or sockeye salmon of Bristol Bay how, in fairness, could the United States have refused Japanese rights there if such a concession had been granted to Canada? I doubt very much, and no one expects, that Japanese boats will travel five or six thousand miles into Eastern Pacific waters simply for crabs and sole, because it was the salmon which attracted Japanese fishermen to Bristol Bay. It is interesting to note in passing that the Alaskan authorities have been so concerned about the salmon of Bristol Bay, that the use of gas powered fishboats has not been allowed; sails or oars must be used.

In brief, here are the main points of the proposed treaty as affecting and benefiting Canadian fishermen. The treaty will definitely prevent British Columbia's three most important fisheries—halibut, salmon and herring—from being exploited by Japan. The treaty therefore removes a ten-year fear of invasion and exploitation by Japanese fishing vessels. Canadian fishermen for the first time will be allowed to fish for salmon and all other species of fish in all Alaskan waters. The proposal to allow Canadians to fish in the Gulf of Alaska is a distinct concession to B.C. fishermen.

Speaking of the treaty itself, not enough publicity has been given to the fact that for the first time in history the Pacific Ocean has been divided for fishing purposes, thus making history. In effect, a new forward step has been taken in international affairs by the recognition that Canada and the United States have a vested right in fisheries in the open seas of the Eastern Pacific Ocean. To suggest, as has been done, that Canada should have made a bilateral agreement with Japan is simply to becloud and confuse the entire matter. To talk of Canada agreeing with Japan, as has been suggested, would mean that Canada was taking an insular position, which if adopted by other nations, particularly the United States, would in the ultimate analysis be greatly to Canada's disadvantage.

Some day a treaty similar to the one proposed may have to be negotiated with Russia, whose territory in the north extends to within a short distance of Alaska on the Bering Sea, and whose shores, like those of the United States, front on both the Arctic Ocean and the Bering Sea. The fact that three nations have reached an agreement and an understanding not to fish in the offshore waters of the Eastern Pacific Ocean and Bristol Bay, where fisheries are being protected by Canada and the United States, may be the means at some time in the future of enabling us to reach an amicable agreement with Russia. In this regard it is worth noting that, according to press despatches, thirty-five large Soviet fishing vessels are now on their way to Northern Pacific waters. And no one can foretell just what their entry into the Bering Sea will mean.

It might be well to point out that in international affairs there is no history which evidences more strikingly the part which selfish national interests play in the doctrines of international law than the history of fishing. As a matter of fact, it is safe to say that nearly all the disputes in history with regard to freedom of the seas and the three-mile limit of coastal jurisdiction have arisen chiefly on account of the supply or catching of fish.

In this regard there has been no greater influence than that of Great Britain itself, supported later by the United States, and

later again by Japan. This influence commenced in the reign of Queen Elizabeth the first, who opposed the domineering pretentions of Spain, and it has continued through the years and up until the time when Britain disputed Norway's claim of four miles jurisdiction, later settled in Norway's favour by the International Tribunal. These three great nations, Great Britain, the United States and Japan, are the three outstanding countries which have long, and at times forcibly, contended for absolute freedom of the seas and the three-mile limit of coastal jurisdiction.

There never has been any general agreement regarding the three-mile limit; in fact, some countries claim a jurisdiction off their shores beyond the three-mile or "cannonball limit", as it is sometimes called. Some countries, such as Norway claimed four miles; others claim 10; and Soviet Russia, which heretofore has claimed jurisdiction for some ten miles off her shores, recently captured Japanese fishing vessels much farther out to sea, and took them into a Russian harbour—something she would never have attempted previous to Japan's defeat. History shows that, generally speaking, the extent of the jurisdictional waters claimed by any country is accepted only when that country is in a strong military position to protect her claim; and the same principle applies to the freedom of the seas. There is nothing in international law to prevent any nation from exploiting fisheries on the high seas, and without this proposed treaty there is nothing outside of military force itself to prevent the Japanese, if they saw fit, from exploiting our halibut, our salmon or our herring. These are the facts. Let us therefor face them intelligently and honestly.

As regards Hecate Straits, quite a smokescreen has been thrown around this question by reason of the statement made that Canada under this treaty has consolidated the United States' position in respect of Hecate Straits, located between Queen Charlotte Islands and the mainland of British Columbia. Nothing could be further from the truth. The proposed treaty does no such thing. The matter of Hecate Straits is not one to be settled under a tripartite agreement between Canada, Japan and the United States: it concerns Canada and the United States alone. Canada has given nothing away to the United States, nor under the proposed treaty does it consolidate the United States' position in Hecate Straits. It is not generally known that we asserted our claim to the straits as far back as the year 1898, and again in 1907; and while no official notice has been taken of fishing by Americans in the straits, our position and our claim remain unchanged. It seems strange that on the numerous occasions, particularly in 1946, when I brought up this matter in the House of Commons, it seemed not to concern the fishermen's organizations at all. I wondered at the time why they were silent on this issue and lent the Canadian case no support.

It is somewhat surprising to find now that great interest is being taken in Hecate Straits by certain officials of these fishermen's unions. Presumably it suits some purpose they have in mind to raise it at this time.

In my closing remarks may I pay tribute to Canada's representatives who participated in the agreements reached in the treaty? Particularly do I want to offer my congratulations to the Honourable Mr. Mayhew, who headed the delegation, and to his able assistant Mr. Stewart Bates, his deputy minister. I am of the opinion that the choice of Mr. Applewhaite, the member of parliament for Skeena, as a delegate, was a wise and popular one.

I may inform honourable senators that while in Seattle at the end of February last I had occasion to dine with one of the United States delegates, and was surprised but nevertheless pleased when he told me that in his opinion Canada's delegation was outstanding and stood out over that of the United States. Part of what he said is worth repeating, and I quote his words: "Canada outsmarted the United States in sending as head of their delegation a cabinet minister, a deputy minister and a member of parliament, and I think, to be honest," he said, "Canada got the best of the deal." This statement, coming as it did from one of the prominent United Sates delegates who took part in the conference at Tokyo, is quite a tribute to Canada, and disproves the misleading statements which have been made that we have given away everything to the Americans.

In closing, may I say that I doubt very much indeed if many honest-to-God fishermen can be found who will not welcome the great concessions made in Alaskan waters and the protection assured to the halibut, salmon and herring fisheries, the three fisheries most important to British Columbia.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Honourable senators, I move the adjournment of the debate.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 19, 1952

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

Prayers and routine proceedings.

EXPORT AND IMPORT PERMITS BILL

SECOND READING POSTPONED

On the Order:

Second reading Bill C, an Act to amend the Export and Import Permits Act.—Hon. Mr. Robertson.

Hon. Mr. Robertson: Honourable senators, I would ask that this item stand at the foot of the Order Paper, to be called later this day, and I so move.

The motion was agreed to.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION CONCURRED IN

On the Order:

Resuming the adjourned debate on the motion for concurrence of the report of the Committee of Selection.—Hon. Mr. King.

Hon. Mr. King: Honourable senators, I do not wish to continue the debate.

Hon. Mr. Robertson: Honourable senators, I move adoption of the committee's report.

The motion was agreed to.

STANDING COMMITTEES

MOTION OF APPOINTMENT

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

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

The motion was agreed to.

JOINT COMMITTEE ON LIBRARY

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

JOINT COMMITTEE ON PRINTING

MESSAGE TO THE COMMONS

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable senators Barbour, Blais, Bouffard, Burke, Comeau, Davies, Dennis, Euler, Fallis, Isnor, Lacasse, Nicol, Stambaugh, Stevenson, Turgeon and Wood, have been appointed a committee to superintend the printing of the Senate during the present Session, and to act on behalf of the Senate as members of a joint committee of both houses on the subject of the printing of parliament.

The motion was agreed to.

JOINT COMMITTEE ON RESTAURANT

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Thomas H. Wood moved the second reading of Bill O, an Act to incorporate Boundary Pipeline Corporation.

He said: Honourable senators, I should like to give a brief review of the bill. As it indicates, the head office of this company is to be at the city of Regina, in the province of Saskatchewan. The company may establish other offices and agencies elsewhere within or without Canada, if deemed necessary.

The petitioners for this incorporation are: George Herbert Barr, solicitor; William Purdon Cumming, solicitor; Robert Milliken Barr, solicitor; Archibald Turner Brown, managing director; Frank Benjamin Poutney, investment dealer, all of the city of Regina, together with such other persons as may become shareholders in the company.

I am very pleased that this company proposes to have its head office in Regina Although Regina is my constituency, I wish to say that I have no personal interest in this company other than the hope, which I share with other residents of Saskatchewan, that gas will soon be available to our province and to the province of Manitoba, as it now is in Alberta.

Recently gas has been the means of bringing to Alberta a number of large industries, such as the Celanese plant,—a fifty-million dollar investment; a pulp and paper plant, a refining plant for Sherritt-Gordon, and also many others, I feel sure that other industries will come to Saskatchewan and Manitoba if gas is available at a reasonable price.

As the bill indicates, it is the intention of the company to transport oil and natural gas from Alberta across Saskatchewan and Manitoba, generally in an easterly direction, following the route of the Canadian Pacific Railway, provided, of course, that in the meantime exportable surpluses are not available in Saskatchewan. In such case the pipeline would probably start at the western border of Saskatchewan, pass through Swift Current, Moose Jaw, Regina, Brandon, and Portage la Prairie to Winnipeg, and thence to the American border, but no further, unless surplus supplies justify the transporting of oil and gas beyond the border. I may say that no decision has been reached as to the point on the American border where the pipeline will end.

The company may also build branch lines to supply communities other than those already mentioned in the bill. Noted geologists whom I have talked to recently gave it as their opinion that in the not too distant future vast quantities of gas will be found in the central portions and on the western borders of Saskatchewan. Should this be the case it would seem that in all probability gas will be made available to residents of Saskatchewan and Manitoba at a substantial saving, as it is now to the residents of Alberta.

In addition to the men named in this bill as the petitioners, those interested in the company will be John MacAulay, Q.C., barrister, of Winnipeg; Gordon Smith, Winnipeg, a prominent man in the grain and oil business of western Canada; and Charles F. Burns, financier of Toronto. The Dominion Securities Corporation of Canada will be interested in the financing. The Fish Engineering Company, of Houston, Texas, will be in charge of technical development.

If this bill receives second reading, I shall suggest that it be referred to the Transport and Communications Committee, where experts will be available to discuss any points not covered in my brief.

Hon. Mr. Reid: I wonder if the honourable senator can tell us whether the proposed pipeline would carry both gas and oil.

Hon. Mr. Wood: I understand that there has recently been a ruling in Alberta that gas and oil are regarded as petroleum, and one and the same thing. I think the petitioners are just protecting themselves, and that the intention is to carry gas.

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

REFERRED TO COMMITTEE

Hon. Mr. Wood moved that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert (for Hon. Mr. Euler) moved the second reading of Bill P, an Act to incorporate the Perth Mutual Fire Insurance Company.

He said: Honourable senators, the original name of this company was the County of Perth Mutual Fire Insurance Company. The bill asks that the same organization be incorporated under a federal charter, and that it have the name "The Perth Mutual Fire Insurance Company."

The company affected here is one of the oldest and most reputable fire insurance companies in the province of Ontario. It was founded, really, in 1859, but organized in 1863 under the Consolidated Statutes of Upper Canada, with headquarters in the town of Stratford, county of Perth, where it has remained for over thirty years. The management and directors of the organization have been very able and trustworthy, men of the highest reputation from the community of Perth county.

The company's business has grown remarkably in the years since its inception. I will give a few figures, just roughly, so that you may have some idea of the present status of the business, and how it has grown. Today its total assets, exclusive of premium notes, amount to $2,675,000, as against $41,993 in 1881. In 1931 they amounted to $1,285,398, so it will be seen that they have more than doubled in less than twenty-five years. The amount of insurance in force today is around $95 million.

The company's business is done mainly in the province of Ontario, but also in the provinces of Quebec, British Columbia and

Alberta. The directors of the company desire to have a dominion charter so as to facilitate the doing of business in other parts of the country. I can see no reason why the petition that is made here, which is not an unusual one, should not be granted.

If the bill is given second reading, I shall move that it be referred to the Banking and Commerce Committee for further investigation, if so desired.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Cyrille Vaillancourt moved the second reading of Bill Q, an Act respecting the Gulf Pulp and Paper Company.

He said: Honourable senators, the Gulf Pulp and Paper Company was incorporated by Chapter 85 of the Statutes of 1902, under the name "The North Shore Power, Railway and Navigation Company." Later on, by Chapter 99 of the Statutes of 1914 this name was changed to "Gulf Pulp and Paper Company."

This company falls under Part III of the Companies Act of 1934. Section 190 of that Act provides that no company which falls under Part III shall use any of its funds in the purchase of shares in any other company unless in so far as such purchase is specially authorized by the special Act. Section 146 of the Companies Act provides that any of the provisions of Part III may be excepted from incorporation with the special Act.

This company is the owner of certain water rights on the Marguerite river, in the county of Saguenay, which water rights were granted to it by letters patent in 1903. It also owns a very large area of land along the river. The company has obtained certain rights from the government of the province of Quebec which allow it to develop more advantageously the power sites which the company owns.

Plans have been prepared for the construction of a dam on the Marguerite River, to develop a minimum of approximately 25,000 horsepower. The cost of building the dam and other works necessary will, it is expected, amount to $6 million. The power development is being undertaken jointly by the Gulf Pulp and Paper Company and the Iron Ore Company of Canada. As you may know, this second company is about to exploit the ore bodies of New Quebec and Labrador. The power development on the Marguerite River would be used in connection with the exploitation of these ore bodies at the terminal of Seven Islands.

It is understood that the development and exploitation of these ore bodies is part of the national defence program, or is very closely connected with it. This development will also benefit the Gulf Pulp and Paper Company which, owing to the shortage of water during the winter months, cannot operate all year. The shortage will be relieved by the dam, which will be used as a storage basin.

The Gulf Pulp and Paper Company, which manufactures pulp, and the Iron Ore Company of Canada, have made arrangements to form a new company to be known as Gulf Power Company, to develop the above-mentioned waterpower. It is proposed that both principal companies shall subscribe for capital stock of the new company to an amount of approximately $1,600,000. As section 190 of the Companies' Act does not allow the Gulf Pulp and Paper Company to subscribe for shares in the capital stock of the new company, application is now being made to parliament to amend the Act incorporating the Gulf Pulp and Paper Company to permit the acquisition by it of shares in other companies. Power to acquire such shares is granted to companies incorporated by letters patent, as provided for in subparagraph (E) of paragraph 1 of section 14 of the Companies' Act, 1934.

Section 13 of the Act incorporating the Gulf Pulp and Paper Company limits the amount which that company may borrow to the amount of its capital stock issued as paid up and unassessable. It is felt that advantage should now be taken of the opportunity to have this section amended so as to give the company the usual borrowing powers, as provided for in subsections 1, 2 and 3 of section 63 of the Companies' Act of 1934.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Vaillancourt: Honourable senators, I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill R, an Act for the relief of Alma Dorothy Lines Robertson.

Bill S, an Act for the relief of Erita Ethel Elliott Morris.

Bill T, an Act for the relief of Phyllis Joan Cross Cohen, otherwise known as Phyllis Joan Cross Grosvenor.

Bill U, an Act for the relief of John Gavigan.

Bill V, an Act for the relief of Elsie Alexandria Thompson Parr.

Bill W, an Act for the relief of Frances Bailey Hershbain, otherwise known as Frances Bailey Berman.

Bill X, an Act for the relief of Cosmo Iellamo.

Bill Y, an Act for the relief of Joan Mary Hoerner Rawley.

Bill Z, an Act for the relief of Jennie Harris Klaiman.

Bill A-1, an Act for the relief of Dorothy Gertrude French Gorrell.

Bill B-1, an Act for the relief of Cecile Emilie Viger Ross.

Bill C-1, an Act for the relief of Edna Gibson Smith Schiller.

Bill D-1, an Act for the relief of Lillian May Holloway O'Brien.

Bill E-1, an Act for the relief of Kathleen Marjorie Hastings Hawkins.

Bill F-1, an Act for the relief of Jean Marie Weeks Opzoomer.

Bill G-1, an Act for the relief of Doris Abbott Watts.

Bill H-1, an Act for the relief of Hyman Krull.

Bill I-1, an Act for the relief of Margaret Elizabeth Strange Colton.

Bill J-1, an Act for the relief of Irene Britton Lynn.

Bill K-1, an Act for the relief of Grace Catherine Piche Lovegrove.

Bill L-1, an Act for the relief of Bruce Edward Steggles.

Bill M-1, an Act for the relief of Alexander Malcolm Dick.

The bills were read the first time.

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

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from yesterday, March 18, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of the Hon. Mr. Howden for an Address in reply thereto.

Hon. F. W. Gershaw: Honourable senators, I wish first to congratulate the mover (Hon. Mr. Howden) and the seconder (Hon. Mr. Gouin) of the Address in reply to the Speech from the Throne. The seconder and his illustrious father have added much to sound government in this country. The mover of the address, my seatmate, was greatly pleased when he was asked to undertake this task. He felt that it was a compliment to the city of St. Boniface, whence he came—the city known as the "Cathedral City". On the site of this city was established one of the very earliest mission settlements of the West, on the banks of a river. The chiming of the bells from that early settlement could then be heard for miles on the prairie. As was said in poetry in the days of long ago:

> The bells of the Roman mission call from the turrets twain,
> To the boatman of the river, the hunter on the plain.

The mover came down from the West to make his speech, and because he was not well he returned home the same night. We have since had reports which would indicate that he is making good progress.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Honourable senators, I wish to confine my remarks largely to the subject of national health insurance, and to give a brief history of what might be called the romance of medicine in Canada.

Very few people associate the history of epidemics and their treatment by medicine with the history of Canada; but if one wishes to go to the Public Archives, and there leaf over some of the many volumes it contains, one will find that sickness and epidemics have had a guiding and controlling influence on the destiny of this country. It is quite probable, had the early French settlers not been plagued by diseases from the time of their arrival, that Canada would not have become a British possession when it did. The natives at that time were suffering from scurvy and other deficiency ailments. True, they had their medicine-men, with their great long plumes, their gorgeous hats and loud incantations, but they did not help a great deal. They were simply a concession to the superstitions of the time. The best and most successful treatment was the use of herbs and roots. At this time, of course, the secrets of the art of

medicine were not in writing, they were simply passed by word of mouth from generation to generation.

When the white people came to these shores, and brought the diseases which they did bring, this system of medicine broke down completely; it had little effect on such diseases as smallpox, diphtheria, typhoid fever, scarlet fever, tuberculosis and the venereal diseases, all of which were importations. There was no immunity among the people of that day against these infections; epidemics spread like a devastating flame of fire through some of these pioneer settlements and took a great toll of the population. At that time, and afterwards, Jesuits and other Christian missionaries, people of refinement and culture, left their homes and their friends and lives of comfort to face hardship, misery, wretched food and poor sleeping accommodation, to bring Christianity and nursing to the people who needed their help. It was a noble object, nobly carried out; but those engaged in it were often misunderstood, and sometimes tortured, because they were blamed for bringing in diseases, whose ravages, of course, they were powerless to control.

Then, in the constant wars which took place between the English and the French, epidemics seemed to favour one side at one time and another side at another. For instance, in 1690 the New Englanders decided to send expeditions to capture both Montreal and Quebec. A land force of some two thousand men marched against Montreal, while a fleet under Sir William Phips was ordered to sail against Quebec. The men of the navy developed smallpox and died by the hundreds, and they were so discouraged that they sailed away without striking a blow. Of the men on the march, some five or six hundred died before they ever reached Montreal. So the New France, at that time, was saved. Then in 1746, the records state, the French decided to send an army and a naval force of 4,650 men to capture Annapolis and Louisburg, and to destroy Boston. Again, however, the hand of fate intervened. At least one-third of the invaders perished from smallpox; and at about that time a whole tribe of Indians was infected and wiped out.

Other examples could be quoted of how disease played a major part in deciding the destiny of the country. For instance, in the year 1702 an Indian suffering from smallpox staggered into the city of Quebec. The population at that time was 9,000, and in the resulting epidemic no fewer than 3,000 perished.

In those days medical practice was very primitive. Surgery was done without anaesthetics: purging, sweating, bleeding—these were the treatments then employed in Canada. Bleeding for all kinds of diseases continued to be practised for a long time. But these methods had no effect, and the mortality was very high. Someone has said of the people of these times: "Written, their history stands on tablets of stone in the churchyards." If we were to visit some of these early burying grounds we would be appalled to see the great number of those who died in childhood, in adolescence, or in very early adult life.

However, as time went on, the system of medicine which was and is still being used made very great progress, and today many of the diseases of which I have spoken are completely under control. By preventive medicine, by vaccination, by antiseptics, and especially by the newer drugs, a great difference has been made in the length of life of the average person. At the beginning of the century the average age at death was somewhere around fifty. Today, little girls who reach the age of one year can look forward to living to be seventy, and little boys who reach the age of one year may, on the average, be expected to live until they are sixty-eight years old.

In times past pneumonia was called the "Captain of the Men of Death." Today it does not hold that primary position, because heart and arterial disease easily take first place among the causes of death. At the present time, at least half a million Canadians suffer from cardio-vascular troubles, and the records show that last year 41·5 of all deaths were due to these disorders. They caused three times as many deaths as cancer, five times as many deaths as accidents from all causes and from violence, and eight times as many deaths as tuberculosis. Much has still to be learned about these dread diseases. It is known that they are related to various forms of rheumatism, hardening of the arteries, and so on, and in certain provinces departments have been set up to study the cause and the treatment of arthritis and rheumatism, and to make special experiments in the use of such newer drugs as ACTH and cortisone.

But while much remains to be learned, we know that early diagnosis and prompt treatment will prevent a great deal of suffering and disability. Under present economic conditions this is not always possible, and that is why I have often urged that the totally and permanently disabled at any age should be helped by some form of pension. Preferably this provision should be administered through local authorities acquainted with the individuals affected. I believe that our social security program will be far from complete until something is done for that particular class of sufferers.

This brings me, honourable senators, to the problem of national health insurance, which has been talked about for quite a while. I tried to ascertain as accurately as possible the attitude of the Canadian Medical Association, and I would summarize it as follows:

1. The association, recognizing that health is an important element in human happiness, reaffirms its willingness to consider any proposal genuinely aimed at improving the health of the people.

I take that to be a very important declaration.

2. Factors essential to health include adequate nutrition, good housing, education, and healthful working conditions, good water supply, and safe milk.

3. Adequate medical facilities should be available to all, whether they can pay for them or not.

I should like to digress here for a few moments to say that in the past people who could not pay have not been denied the benefits of medical care. Most hospitals have been very generous in opening their doors to all who are in need, and practically all medical men have lived up to the high tradition of their calling and given their services wherever required. However, there has been a change recently: there was a time when a medical bill was a heavy bill to meet; but today the cost of drugs and hospital accommodation has assumed tremendous proportions. The average individual who has a serious accident or long illness may be absolutely bankrupt before his treatment is completed, and as a result he may be in debt for many years. It is felt by the Canadian Medical Association that some form of catastrophe insurance should be available for those who are unfortunate enough to contract large hospital, drug or medical bills.

It is a fact that a great deal of what might be called social medicine is practised in Canada at the present time. For instance, in both British Columbia and Saskatchewan the provincial governments have been collecting money as premiums and providing hospital accommodation for all taxpayers. They have found that the premiums have generally been too small to meet rising costs, and so they have suggested that an individual entering a hospital should pay at least a token amount. In Alberta several municipalities have made arrangements by which a person in hospital pays $1 a day, the additional cost being shared equally by the municipality concerned and the province. If there is a system whereby some small payment is made when a person calls for medical care or enters a hospital, the ordinary self-reliant person feels free to use medical and hospital services, even in minor cases. A great many people have the notion that if nothing is paid at the time they are accepting charity, and they do not wish to over-burden any of the prepaid schemes. It is felt that some token payment would be a real advantage in such cases.

Now I come back to the attitude of the Canadian Medical Association.

4. The association lays down the principle that any scheme must preserve the doctor-patient relationship which has lasted for so long, and must provide and encourage progress towards better and better medical practice.

I take that to mean that the association lays down the principle that state medicine, with the doctors on a salary, is definitely out.

5. The association points out that about one and a half million people in Canada are now under some form of prepaid medical care.

The C.M.A., having approved of the principle of health insurance and having observed the prepayment medical plans, in 1950 proposed to extend those plans and form what is called the Trans-Canada Medical Services. It was hoped that this would extend so that every Canadian citizen would, by paying a premium, be able to insure himself against the unpredictable costs of serious illness or accident. It was also felt that the time would come when some government agencies would pay the premiums for those who were unable to pay them.

The association also feels that progress along the lines of health should develop by stages, because it realizes that if any big scheme was hastily put into operation disaster would likely result. It believes that a good foundation should be laid before any extensive scheme is tried out. For instance, hospital accommodation and trained personnel should be available, and of course the financing should be arranged.

The association does not want to get into a controversy with the government at any time. And I may say that the present Minister of National Health and Welfare, Mr. Paul Martin, has been very good in consulting the association's officers and listening to their advice. Really quite a lot has been accomplished along these lines, but it has been done in a small way and over a limited area. That has one great advantage, however, because reliable information is furnished, and if the scheme should fail no great national disaster will follow.

In conclusion I wish to review the national health policy that was laid down in May 1948 by the federal government. It made $30 million available annually for grants to the provinces for health purposes, mostly on a dollar-for-dollar basis. Of course, this put the problem up to the provinces, but they have reached out and taken advantage of the offer to a great extent. In the first year 25·8 per cent of the grant was used; in the next

year 47·3 per cent was used; and in the third year, up to March 31, 1951, some 53·1 per cent was used.

Of course, the big item of expense is for hospital construction. It was hoped that in a five-year program some 40,000 hospital beds would be provided, and $13 million a year was allotted for this purpose. Up to March of last year some 28,355 beds had been made available in new hospitals or additions to previously existing hospitals that had been constructed in some 120 different communities.

In addition to hospital grants, money was made available to the provinces for general health measures, for mental health and research, for personnel training, for cancer control, for treatment of venereal disease and tuberculosis, and as well for the conducting of a national health survey.

The Canadian Medical Association has sent some of its officers to other countries to see what results were being obtained there in health insurance schemes. Under the present Minister, Mr. Martin, a careful study has been made by the department of what is being done under the British national health services, and under the programs in New Zealand, Sweden and Denmark. This was done in order to see if these public health measures were really improving the health of the people and the standard of medical practice.

In conclusion, in these days when social security measures are being greatly extended, protection of the health of the people should have first consideration, because so much can be done to avoid or banish misery and despair. Measures which help those who are disabled or in pain, those whose lives are darkened, and whose hopes are dim, will add most to the sum total of human happiness, welfare and contentment.

Some Hon. Senators: Hear, hear.

Hon. J. A. McDonald: Honourable senators, I hope I am not imposing on your patience by speaking at this time, but I should like very much to leave for Halifax tomorrow afternoon. If I am allowed to stay pretty close to my manuscript, I promise not to speak for more than fifteen minutes.

I am sure we have all enjoyed very much the interesting and constructive address of the honourable gentleman who has just spoken; in fact, we have enjoyed all of the addresses, including those of the mover and the seconder; all have shown a great deal of thought and care in preparation, and all were well delivered. The debate, up to the present moment, has been on a very high plane.

As we review the past year, all honourable senators will agree, I think, that kind Providence has dealt bountifully with Canada and her people, and it is with sincere gratitude for the many great blessings which our nation has enjoyed that we enter upon our duties this session, trusting that we may be divinely guided and render increasing service. Our service and sacrifice seem very small when we think of what members of the active services, especially those in Korea, have to endure. We trust that peace may speedily come to the troubled areas.

This and some other countries are blessed by having many talented and fine Christian men and women in public office. I am convinced, as I am sure are all here, that nothing could help more in bringing peace and solving our most serious problems than a rededication of public representatives in all countries to the application of Christian principles in their thoughts, words and deeds. If that should take place, there would be more Colombo plans and more security for those who need it; strife and much of the suffering experienced today would cease.

The year 1951 was a good year for Canadian business at home and abroad, and we have reason to believe that the outlook for 1952 is favourable. The gross national production of Canada in 1951 amounted to $21·1 billions, an increase of more than 16 per cent over that of 1950. All income components of the gross national production reflect the high level of economic activity prevailing during 1951. The number of employed persons increased by about 3 per cent, but total salaries and wages were about 15 per cent higher than in 1950. For the year, unemployment will amount to about 2 per cent of the total labour force.

Although farm income for 1951 was higher than for 1950, so were farm operating costs. A large part of the western grain crop remains to be harvested or threshed. Most of the crop now lying under the snow will be harvested this spring, but its quality will be lowered. Cash income from livestock was higher during the past year than it was in 1950. Declines in marketing were offset by higher prices, but these have dropped recently, since the close of the year. Smaller marketing of sheep and lambs brought lower returns. Higher average livestock prices and substantial Canadian Wheat Board payments during the first six months were the two main factors in higher farm income.

Unfortunately, manpower in agriculture has dropped again. Taking 1939 as 100, 1950 was 78·2 and 1951 was 74·5. This lack of manpower on our farms is a really serious problem. It is difficult to keep men on farms

when they have to work longer hours and at lower wages than prevail in other industries. Even immigrant farm labour is soon enticed from the farms when offered greater pay for shorter hours of labour. Until the farmer can realize larger returns from the sale of his products, it is very difficult for him to find the money to increase the wages to his help. The average Canadian farm labour wage is now $4.60 per day with board, and $5.70 without board.

Many farmers are partially solving the labour problem by the more extensive use of machinery; but in many cases, for instance where livestock has to be cared for, extra labour is required. Then too, unfortunately, it is not economically sound to replace horses with machine power unless the farmers' operations are large enough to justify the extra expense. Unfortunately, this tendency to solve the labour problem by the change from horse to machine power is causing a financial crisis on a number of farms where the sale of products is too small to pay for the high initial cost and depreciation on expensive equipment.

When considering farmers' problems, it is well to remember that farming involves a great financial risk which we cannot control, and that an important influence on the cost of production is the weather. Aside from a little extra gas and labour in harvesting, it costs as much to handle a grain crop of ten to fifteen bushels per acre as it does for one of from fifty to ninety bushels. Seed, fertilizer and cultivation costs are identical, and there is little or no difference in overhead for machinery, rent, taxes or even wages. The unpredictableness of the weather for any length of time beyond two or three days makes farming the most economically hazardous undertaking of the major occupations.

Because of increased food prices—and sometimes too little of these increased prices reach the farmers' pockets—there is a growing consumer resentment against the producer. But it should be remembered that basic food prices for the 1935-39 period were abnormally low, and this is the period which is taken as 100 in comparing today's prices. Those were depression years, when farmers took what they could get, even if it meant a loss. The farmer cannot always reduce production to meet the demand, as the manufacturer can, and when the farmer's production is greater than the demand he must sacrifice price. During the depression years a dollar would buy a week's supply of vegetables, and $2 would go a long way towards supplying a family with meat for the same period. It is against such low prices that today's prices are compared in the index.

There are other important reasons for the increase in the food index. There are increased packaging and processing charges, which involve many additional labour charges that were unknown in former methods of handling some food. There are also increased transportation costs and higher costs for middlemen involved.

The Minister of Agriculture for Ontario, T. L. Kennedy, has said that the farmer does not benefit when there is a substantial increase in the price of his product to the consumer, and to prove his point he recently released the following figures:

Product	Consumer pays cents	Farmer gets cents
Canned tomatoes .....a tin	25-27	3¾
Tomato juice .....a tin	18	1¾
Peas .....a tin	23-25	2½
Wax beans .....a tin	16	3½
Peaches .....a tin	27-30	5½
Pears .....a tin	30-33	4½
Rolled Oats .....a lb.	14	2·66
Pastry flour .....7 lbs.	39	16

It is important also to remember that, despite what some consumers think are abnormal prices for most foods, farmers are not increasing production; but, rather, there is a dangerous downward trend in relation to population. Today's higher prices are not attractive to the farmer, mainly because of the increasing production costs and serious labour shortage.

In recent weeks the lower prices for hog and poultry products, together with increasing feed costs, have been creating a critical situation for our producers. Because of the very high prices for protein feeds many farmers are becoming discouraged. One prominent farmer in Nova Scotia recently estimated the total cost of producing a 150-pound dressed hog at around $44 as compared with the floor price, at 26 cents per pound, of $39.

Consumers and producers would welcome a thorough price inquiry. Such an inquiry should, of course, include an examination of prices of the more generally used articles required in production, as well as the spreads of wholesalers, middlemen and retailers.

Many of our people today feel that exorbitant fees are being taken out of the consumer's dollars after the products leave the producers' warehouses. Whether or not this feeling is justified, all groups of our people would be in favour of a price inquiry, and it would help materially in doing away with a resentment that is growing between large sections of our population. Also, if unwarranted increases are anticipated, a well-organized inquiry in the near future would be helpful in keeping them under control.

Our Prime Minister and members of the government deserve our sincere thanks for their untiring service and for much progressive legislation during the past year. The government also is to be commended for the prompt action it has taken to rid our herds of the most regrettable outbreak of foot-and-mouth disease. I trust that the provinces will remove their embargoes as quickly as possible; but if the United States continues for very long its embargo against our stock and meats it may be necessary for the government to establish floor prices under beef and lamb. Pork already has been dealt with. A situation could develop where ceiling prices should also be established for the protection of consumers.

Some of the problems that I had the honour of bringing to your attention during the debate a year ago last February have already been solved. There is one, however, which is still unsolved, and it is still a live issue in my province. I refer to the need for improved transportation facilities, particularly in western Nova Scotia. But first I wish to say that the action of the honourable member for Halifax-Dartmouth (Hon. Mr. Isnor) in endeavouring to secure a further reduction in the time it takes the Ocean Limited to cover the distance from Halifax to Montreal, is to be commended. The management has made some improvements in equipment as well as in time, but ways should be found of giving us a service at least as fast as we had many years ago.

As regards needed improvements in western Nova Scotia, I would like to emphasize again—and very briefly, as I went into a detailed explanation at the session last year—the importance of the C.P.R. having needed rights now enjoyed by the C.N.R. right into and at Halifax—

Hon. Mr. Isnor: Hear, hear.

Hon. Mr. McDonald: —also, of establishing a rail car ferry from Digby to Saint John, and improved regular year-round transportation to the New England States. An airport at Halifax, built to satisfactorily handle heavy aircraft travel, is a necessity.

As the Eastern Steamship Lines seem determined to sell the s.s. *Yarmouth,* I hope the government will either purchase it, and have the C.N.R. operate it from Yarmouth to Boston, or provide a subsidy so that an independent company can give proper service to the people of western Nova Scotia and help to develop still further the tourist industry. We would emphasize again, too, the advantages to our people of further reducing tariffs as much as practically possible. For our development these suggested changes are vital, and to me they do not seem unreasonable.

Now that the St. Lawrence Seaway project is assured of the support of the Maritimes, and largely for the benefit of other parts of Canada, co-operation should be extended to bring about the improvements for western Nova Scotia which I have again suggested.

Before closing, may I also briefly support the request of many in the Maritimes that shipbuilding be given greater interest and support. Shipping interests tell me that they are concerned about the shrinkage of the Maritime merchant marine; and, while realizing that conditions then and now are different, we earnestly request cooperation by the appropriate government departments to help in building up this great industry to as nearly as possible the dimensions it attained in the last century, when our shipping was found on the seven seas and brought employment and wealth to our people.

The shipyards of the Maritimes would have developed much as those of the St. Lawrence and the Great Lakes have done if ships had been built in our ports during the war years, when our yards were looking after repairs; and we now respectfully submit that our yards should be given a chance to expand through the government building ships in our ports, where the Prince Edward Island and Newfoundland ferries should normally have been built.

I have not dealt with the needs of our fishermen. I leave that subject to honourable members who are better versed in that problem than I am. The honourable member for Milford-Hants, (Hon. Mr. Hawkins), of course, is fully informed on everything pertaining to the production and marketing of wood products. I would, however, like to support the requests that have been made in the other place for needed assistance to the fishermen along our shores who have lost their fishing gear through the heavy Atlantic storms which occurred late last fall and during the winter. Many of them require this assistance in order to get back to their fishing.

Hon. Mr. Horner: Did I understand the honourable senator to say that a floor price for hogs is now in effect?

Hon. Mr. McDonald: Yes: it is $26 per hundred at Winnipeg, I believe.

Hon. Mr. Horner: No, it is not operating. In many places they are selling at 15 cents.

Hon. Mr. Haig: Question!

Hon. Mr. Lacasse: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Lacasse was agreed to, and the debate was adjourned.

EXPORT AND IMPORT PERMITS BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill C, an Act to amend the Export and Import Permits Act.

He said: Honourable senators, this bill is very simple. It deals with only one section of the Export and Import Permits Act, which was passed in 1947; and that section 13, has to do with the procedure for prosecution of violations of the act.

Under section 13 as it was passed in 1947 two procedures were provided for. One was that an offender could be prosecuted by way of summary conviction under Part 15 of the Criminal Code, under which the penalty was a fine of up to $500 or imprisonment up to one year, or both fine and imprisonment. The second procedure was that a person could be charged by way of indictment, and in event of conviction the fine could be up to $5,000 and the term of imprisonment up to five years, and the penalty could include both the fine and imprisonment.

Now I will state what the proposed amendment does, and why it is proposed. It deals with the procedure by way of summary conviction, and it increases the maximum fine from $500 to $5,000. That is the only change made in the penalty, for the term of imprisonment remains the same—up to one year. Then a subsection is added to section 13 to provide that, notwithstanding the fact that under the Criminal Code proceedings by way of summary conviction must take place within six months of the date of the commission of the offence, proceedings under this Act may take place by way of summary conviction in relation to offences committed within twelve months of the date on which the proceedings are instituted.

Having stated what the proposed change is, I will say why it is brought in. The statute deals with strategic materials and provides for certain requirements in connection with their export and import. The main materials to which the export provisions of this Act would apply, unless the Governor in Council deems it necessary to add others, are war supplies and materials, arms and so on. A permit in perfectly satisfactory form may be secured for export to a country to which Canada has no objection to permitting export of materials of that kind; but if under such a permit materials are or have been diverted to a source that is not friendly, and not regarded by Canada as a good security risk, it might well be eight or ten months before this fact became known. That is why it is desired to extend the period within which summary conviction proceedings may be taken. The policy of the government is that prosecutions for offences of this kind, once determined upon, should be undertaken and carried through promptly in order to provide the greatest possible deterrent effect upon would-be offenders.

I think that it is also in the interest of the the accused person himself to have the charge against him disposed of as quickly and as summarily as possible. He still has his right of appeal. Proceedings by way of indictment take much longer than proceedings for summary conviction, and therefore the length of time elapsing between commission of the alleged offence and completion of the proceedings is greater. The reason for increasing the possible fine from a maximum of $500 to a maximum of $5,000 is that it is hoped this also will have a deterrent effect upon persons who otherwise might offend against the Act.

The government feels that as a matter of policy this section should be amended so as to make it possible to bring more of the prosecutions that may become necessary under this Act by way of summary conviction rather than through the longer procedure of indictment. And accused persons may get a break by reason of the fact that although under the amendment the maximum possible fine under summary proceedings is increased to $5,000, as it is under procedure by way of indictment, the maximum possible prison sentence that may be imposed upon summary conviction remains at one year, whereas upon conviction in proceedings by way of indictment the imprisonment may be five years.

Hon. Mr. Crerar: Can my honourable friend inform us if any prosecutions were taken under this section in the past year?

Hon. Mr. Hayden: I am not in a position to answer that question. I think we might get that information in committee.

Hon. Mr. Reid: Could the honourable member tell us why it was considered advisable to raise the fine from a maximum of $500 to a maximum of $5,000, and yet keep the maximum of time of imprisonment at one year? Under the law as it is now a convicted first person might have the choice of paying $500 or going to prison for a year, and under the amendment he might have the option of paying $5,000 or serving a jail term which still would be only one year.

Hon. Mr. Hayden: I am sorry that I did not make it clear that an accused individual

or company has no choice in the matter of whether the prosecution shall be by way of summary conviction or by indictment. The choice of how the charge is laid rests with the prosecutor.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 20, 1952

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

Prayers and routine proceedings.

JOINT COMMITTEE ON LIBRARY

MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons in the following words:

Resolved, that a message be sent to the Senate, acquainting their honours that this house has appointed Mr. Speaker and Messrs. Beyerstein, Blackmore, Brown (Essex West), Carroll, Carter, Conacher, Coyle, Dechene, Demers, Dinsdale, Eudes, Gauthier (Lapointe), Gingues, Goode, Hellyer, Henderson, Higgins, Hunter, Jones Kirk (Antigonish-Guysborough), Knight, LaCroix, Laing, Leger, MacLean (Queens), MacNaught, McIlraith, McMillan, Meeker, Noseworthy, Pearkes, Proudfoot, Ratelle, Rochefort, Ross (Hamilton East), Rowe, Smith (Moose Mountain), Smith (York North), Tustin, Valois, Ward, White (Middlesex East), Whiteside, Winkler, a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

JOINT COMMITTEE ON PRINTING

MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons in the following words:

Resolved, that a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members: Messrs. Argue, Ashbourne, Bertrand, Beyerstein, Black (Chateauguay-Huntingdon-Laprairie), Blackmore, Boivin, Bonnier, Breton, Browne (St. John's West), Bryce, Cameron, Cardiff, Cauchon, Cavers, Charlton, Cruickshank, Darroch, Dechene, Dickey, Fairclough, Mrs., Ferguson, Ferrie, Follwell, Fontaine, Gingras, Goode, Gour (Russell), Harkness, Healy, Hees, Hetland, Hodgson, Hunter, Lefrançois, MacLean (Cape Breton North and Victoria), Maltais, McDonald (Parry Sound-Muskoka), McIvor, McLean (Huron-Perth), McWilliam, Murray (Oxford), Robertson, Rochefort, Rowe, Shaw, Sinnott, Stanfield, Stuart (Charlotte), Studer, Tustin, Weaver, Whitman, Wright, will act as members on the part of this house on the said joint committee on the printing of parliament.

JOINT COMMITTEE ON RESTAURANT

MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons in the following words:

Resolved, that a message be sent to the Senate acquainting their honours that this house has appointed Mr. Speaker and Messrs. Casselman, Cournoyer, Cruickshank, Dewar, Ferguson, Gauthier (Sudbury), Gour (Russell), Hansell, Harkness, Langlois (Berthier-Maskinonge), Little, Macdonald (Edmonton East), MacNaught, McCulloch, McGregor, Ratelle, Richard (Ottawa East), Riley, Rochefort, Stewart (Winnipeg North), Stick, Ward, Warren, White (Hastings-Peterborough), to assist His Honour the Speaker in the direction of the restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the restaurant.

FINANCE COMMITTEE REPORT

CONSIDERATION POSTPONED

Hon. T. A. Crerar presented the first report on the Standing Committee on Finance.

The report was read by the Clerk Assistant, as follows:—

The Standing Committee on Finance beg leave to make their first report as follows:

Your committee recommend that their quorum be reduced to seven members.

Hon. Mr. Crerar: May I make an observation which it was unnecessary to embody in the report? The Committee on Finance as set up now consists of seventeen members. Notice has been given for next Tuesday of a motion to increase substantially the membership of the committee. In the meantime, however, I think it is important that we get started as soon as possible, so I have asked the members of the committee as selected yesterday to attend an informal meeting of an exploratory character after the Senate rises today, to consider what lines our inquiry might take. As the committee is to be substantially enlarged, I would add that every honourable senator in the house is welcome to attend today's meeting.

Hon. Mr. King: I am inclined to think that the matter should stand over until the motion has been concurred in. Our committees are not yet organized, and there is no great need for haste.

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

Hon. Mr. Robertson: Now.

Hon. Mr. Reid: I should like to ask the mover of this motion why, if the numbers of the committee are to be substantially increased, the quorum is to be reduced.

Hon. Mr. Robertson: I think the quorum has been the same right along.

Hon. Mr. King: The membership of the committee will not be assembled.

Hon. Mr. Robertson: It is now.

Hon. Mr. King: No.

Hon. Mr. Robertson: A membership of seventeen has been provided for.

Hon. Mr. King: But it has not been concurred in by this house.

Hon. Mr. Robertson: Yes.

Hon. Mr. King: No, the report has not been adopted, and there is a notice of motion indicating that there will be an addition to that committee. I cannot see why there should be such urgency in these first days of the session. The estimates have not yet been presented, and I can see no reason why we should rush to have a meeting of seventeen members when the committee may eventually be composed of fifty members. It is neither reasonable nor in accordance with our procedure. I feel strongly about this and I think the question of increasing the membership of these three committees should stand over until the motion of which notice has been given has been agreed to and adopted.

Hon. Mr. Crerar: My suggestion was for an informal meeting of the committee of seventeen.

Hon. Mr. King: Not "the committee" but a committee of seventeen. That will not be "the committee".

Hon. Mr. Crerar: That is quite true. But the committee has been set up with seventeen members. That was done when the report of the Selection Committee was accepted yesterday.

Hon. Mr. King: With the understanding that the motion of which notice has been given will be agreed to and adopted. There is no use beating around the bush. Let us proceed in an orderly manner.

Hon. Mr. Crerar: If there is any feeling about this, then we shall not have this meeting.

Hon. Mr. King: No, I would not hold it.

Hon. Mr. Crerar: The purpose of my suggestion was that we have an informal discussion in order to consider the work that the committee might undertake. I have certain suggestions to make to the committee that should be got under way before the Easter adjournment, which is not too far away. Next Tuesday evening the house will consider the motion of which notice was given by the honourable leader (Hon. Mr. Robertson) yesterday.

Hon. Mr. King: On the understanding that motion will carry—

Hon. Mr. Crerar: Now.

Hon. Mr. King: No, on Tuesday next.

Hon. Mr. Crerar: Well, it will.

Hon. Mr. King: We do not know.

Hon. Mr. Crerar: If it does not, then no harm will be done. Assuming that the motion carries on Tuesday, then the matter has to be referred to the Committee of Selection before the membership can be increased from seventeen to fifty. The Committee of Selection would then have to make its report, and I am afraid that the Committee on Finance would be unable to hold a meeting until the following week. At that time, if rumour proves correct, we shall be adjourning for the Easter recess.

My whole purpose in suggesting this informal meeting was to get some enlightenment, if possible, as to the general lines that our inquiry should take, and on what basis the terms of reference should be drafted. If there is statistical data that the members of the committee would like to have, arrangements could be made to secure it during the Easter recess. Perhaps I have blundered; and if my honourable friend from Kootenay East (Hon. Mr. King) feels strongly about this, I am quite willing to have the whole matter dropped until we pass the motion next Tuesday evening, and then refer it to the Selection Committee, get the full membership of the Finance Committee appointed, and try to have a meeting of that committee immediately afterwards.

Hon. Mr. Haig: May I offer a suggestion? The leader of the government (Hon. Mr. Robertson) has given notice of motion. If there is no objection, why can we not consider it and adopt or reject it, as the case may be? If it is adopted, we would know that this committee of fifty members had been established. The Selection Committee could then meet on Tuesday forenoon and nominate the members, and bring in its report Tuesday night. If the report was adopted, a meeting of the committee could be called for Wednesday morning. In that way we would save a lot of time and nobody would be injuriously affected. I am sure the house would agree to that.

I had nothing to do with this matter that has been discussed here; I knew nothing about it until yesterday, so I cannot accept any responsibility for it, one way or the other. My suggestion is that we should adopt the proposed amendment of the leader, which I believe is acceptable to the senator from Kootenay-East (Hon. Mr. King), so as to make it possible for the Selection Committee to meet on Tuesday and bring in its report that evening. In that way we could save nearly a week's time.

Hon. Mr. King: I hesitate to say anything further about this matter; but, after all, we are a house carrying on our work under rules that exist and are of importance to us. There is no reason why a group of seventeen should meet and formulate a program for a group of

fifty who are to be appointed later. I hesitate to interfere with the plans of my friend from Churchill (Hon. Mr. Crerar), but as an old parliamentarian he knows that this matter is an involved one. We are not pressed for time in dealing with matters to come before us; there are many hours when we are unemployed.

My friend the leader of the opposition has suggested a way out, but there again his proposal infringes upon the rules as to notices of motion. I think we had better stick to our rules. I will withdraw my objection if the leader of the government (Hon. Mr. Robertson) and the senator from Churchill (Hon. Mr. Crerar) think it is of great importance that seventeen members of the committee should proceed to formulate and indicate what fifty members are supposed to do later. Those remarks apply to the other two committees also. I am not asking for any favour, but simply that we, as senators give that consideration which I think we should give to a matter of this kind. Rules are of importance.

Hon. Mr. Crerar: Honourable senators, while the discussion is out of order—

Hon. Mr. King: It is out of order.

Hon. Mr. Crerar: —may I say just another word? I can see the force of the point raised by my friend from Kootenay-East (Hon. Mr. King), and I suggest now that we just drop the proposal for an informal meeting of the committee this afternoon and wait until the committee membership has been increased to fifty.

Hon. Mr. King: Hear, hear.

The Hon. the Speaker: I would remind honourable senators that there is before the house a formal motion by the honourable the leader of the government (Hon. Mr. Robertson) for concurrence in the report. If he agrees with the suggestion just made by the honourable senator from Churchill (Hon. Mr. Crerar), I think the proper procedure would be to withdraw the motion and move that the report be placed on the Order Paper for consideration at the next sitting.

Hon. Mr. Robertson: Is this not the situation? The report has been presented, and it can be considered this afternoon only with unanimous leave of the house. As unanimous leave has not be given, the report must therefore stand over in accordance with the rules.

Hon. Mr. King: Stand.

TRANSPORT AND COMMUNICATIONS COMMITTEE REPORT

CONSIDERATION POSTPONED

Hon. Mr. Hugessen presented the first report of the Standing Committee on Transport and Communications.

He said: Honourable senators, this report also recommends that the quorum of the committee be reduced to seven members.

The only observation I should like to make is that a bill sponsored by the honourable senator from Regina (Hon. Mr. Wood) has been referred to this committee, and the hearing of the petitioners has been fixed for Wednesday next. The parties are coming from some distance, and in order that they may be heard on Wednesday it is necessary that the committee meet that morning. If this report is not adopted, I believe, a majority of the members of the committee would automatically be a quorum.

Hon. Mr. Haig: If the report were adopted Tuesday night, would that be satisfactory?

Hon. Mr. Hugessen: It could be adopted Tuesday night, yes.

Hon. Mr. Haig: That is the way to do it.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications beg leave to make their first report as follows:

Your committee recommend that their quorum be reduced to seven members.

Hon. Mr. King: I have positively the same objection.

Hon. Mr. Robertson: Stand.

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

Hon. Mr. Hugessen: Tuesday next.

EXTERNAL RELATIONS COMMITTEE REPORT

CONSIDERATION POSTPONED

Hon. Mr. Gouin presented the first report of the Standing Committee on External Relations.

The report was read by the Clerk Assistant as follows:

The Standing Committee on External Relations beg leave to make their first report, as follows:

Your committee recommend that their quorum be reduced to seven members.

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

Hon. Mr. King: I would ask that consideration of this report be allowed to stand.

Hon. Mr. Robertson: Tuesday next.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill N-1, an Act for the relief of Pauline Augusta McCaskill Foulis.

Bill O-1, an Act for the relief of Hilda Avrith Grossman.

Bill P-1, an Act for the relief of Sarah Grossman Grotsky.

Bill Q-1, an Act for the relief of Rose Dorothy Weatherbee Stopps.

Bill R-1, an Act for the relief of Nancy Jean Tolmie Dawson.

Bill S-1, an Act for the relief of Misha Paunovic.

Bill T-1, an Act for the relief of Eva Ena Guenard Brassard.

Bill U-1, an Act for the relief of Helen Maude Walmesley Cherry.

Bill V-1, an Act for the relief of Margaret Ann Greenaway Worrell.

Bill W-1, an Act for the relief of Isabel Welch Remillard.

Bill X-1, an Act for the relief of Eileen Shirley Guttman Fagen.

Bill Y-1, an Act for the relief of Helen Myrtle Woods Poullos.

Bill Z-1, an Act for the relief of Karl Gunnar Tammi.

Bill A-2, an Act for the relief of Peter Nicol Crowe.

Bill B-2, an Act for the relief of Fred Jenne Fyles.

Bill C-2, an Act for the relief of Louisa Crawford Gordonsmith.

Bill D-2, an Act for the relief of Rhoda Hayes Goulet.

Bill E-2, an Act for the relief of Malfice Ciccone Nadeau.

Bill F-2, an Act for the relief of Mary Rita Estella Brennan Henderson.

The bills were read the first time.

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

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

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Committee on Divorce, moved the second reading of the following bills:

Bill R, an Act for the relief of Alma Dorothy Lines Robertson.

Bill S, an Act for the relief of Erita Ethel Elliott Morris.

Bill T, an Act for the relief of Phyllis Joan Cross Cohen, otherwise known as Phyllis Joan Cross Grosvenor.

Bill U, an Act for the relief of John Gavigan.

Bill V, an Act for the relief of Elsie Alexandria Thompson Parr.

Bill W, an Act for the relief of Frances Bailey Hershbain, otherwise known as Frances Bailey Berman.

Bill X, an Act for the relief Cosmo Iellamo.

Bill Y, an Act for the relief of Joan Mary Hoerner Rawley.

Bill Z, an Act for the relief of Jennie Harris Klaiman.

Bill A-1, an Act for the relief of Dorothy Gertrude French Gorrell.

Bill B-1, an Act for the relief of Cecile Emile Viger Ross.

Bill C-1, an Act for the relief of Edna Gibson Smith Schiller.

Bill D-1, an Act for the relief of Lillian May Holloway O'Brien.

Bill E-1, an Act for the relief of Kathleen Marjorie Hastings Hawkins.

Bill F-1, an Act for the relief of Jean Marie Weeks Opzoomer.

Bill G-1, an Act for the relief of Doris Abbott Watts.

Bill H-1, an Act for the relief of Hyman Krull.

Bill I-1, an Act for the relief of Margaret Elizabeth Strange Colton.

Bill J-1, an Act for the relief of Irene Britton Lynn.

Bill K-1, an Act for the relief of Grace Catherine Piche Lovegrove.

Bill L-1, an Act for the relief of Bruce Edward Steggles.

Bill M-1, an Act for the relief of Alexander Malcolm Dick.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move third reading now.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from yesterday, March 19, consideration of His Excellency the

Governor General's Speech at the opening of the session, and the motion of the Honourable Mr. Howden for an Address in reply thereto.

Hon. Gustave Lacasse: Honourable senators, I first wish to join those who paid well deserved compliments to the mover and seconder of the Address in reply to the Speech from the Throne. Both did very well indeed, although I may have a little observation to make with reference to one particular statement by the former, for whom I have the deepest regard. He himself admitted that he was "sticking his neck out" when he made it. He said that over-population is the underlying irritant which is causing wars; and he boldly prescribed birth control as a remedy. Although I would trust his advice any day as a medical man, I admit that I would not have as much faith in his diagnosis in cases of this kind. I do not like to take advantage of his absence from the house at this particular moment to be too hard on him, but may I ask him two very simple and pertinent questions. First, was this North American continent more peaceful when it was inhabited by but a few Indian tribes? Second, has the death of the millions of people who were slaughtered in the last war brought greater peace and greater happiness to this world? I believe that the answers to these questions would bring into clearer light the paramount fact that the miseries of mankind are mostly caused by an utter disregard of the moral code and the laws of nature.

As to the contribution to this debate of my honourable friend from Ottawa (Hon. Mr. Lambert), I must say that it was most interesting from an historical point of view. I believe, however, that his statement regarding the appointment of a Canadian-born Governor General for the first time in history was a bit too conclusive when he said that Sir Robert Borden's strength of character and integrity of mind "laid one of the main corner-stones upon which the present Prime Minister has been able to add to the constitutional structure of this country."

Without taking any credit from Sir Robert, may I remind this honourable body that since the events mentioned by my honourable friend, an important debate took place in this very house, on the same subject, notwithstanding what has been said to the contrary recently by a parliamentary correspondent of one of our best known contemporaries, who claimed that the appointment of a Canadian-born Governor General had been a surprise to all concerned and a political stunt on the part of the government. If one turns to the pages of Senate *Hansard* back in the year 1935 one will find a report of that debate. See page 208 of that volume. The issue was then raised by our dear old friend Senator Dandurand, then leader on the other side, and other speakers took part, including Senator Lemieux, Senator Beland, the honourable senator from Saltcoats (Hon. Mr. Calder), and the Right Honourable Arthur Meighen, then leader of the government in this house. Allow me to quote a few statements from those speeches to show the trend of thought as it then existed. That debate was launched, if I remember well, a day or two after the appointment of Mr. John Buchan, who later became Lord Tweedsmuir, as successor to Lord Bessborough, the then Governor General of Canada.

Here is what Senator Dandurand said, as reported on page 208:

> Inasmuch as I am advancing in years, I had hoped that before leaving this side of the Styx I should experience the satisfaction and pride of seeing a Canadian appointed as Governor General of Canada. By the Statute of Westminster we have established our absolute equality with the other parts of the commonwealth, and I think it would have been somewhat in keeping with our new status to suggest to His Majesty the King that a Canadian be appointed as Governor General of Canada.

He went on to suggest the names of men very prominent at the time, such as Sir Robert Borden himself, Sir William Mulock, and Sir Robert Falconer.

Senator Lemieux said:

> I quite agree with the honourable the leader on this side of the house that the idea which has been in the public mind for some years, of having a full-blooded Canadian as Governor General of this country, will some day be realized, and that no more worthy name could be mentioned for the post than that of the Right Hon. Sir Robert Borden. However, if we are not to have a Canadian as our next governor general, I think His Majesty has been well advised in selecting a son of Scotland.

Where is the surprise element in that, seeing that this matter was discussed in 1935? That is the point I want to make at present.

Senator Lemieux went on:

> I have a great admiration for the English people, and, of course, for the Irish people; but I remember the old alliances between Scotland and France. I say that the selection of John Buchan is a credit to the Mother Country.

And so on.

And Senator Beland spoke in these words:

> As the two honourable gentlemen who have preceded me are still young, strong and hearty, I think their anticipations will be fulfilled and that they will see a Canadian as governor general of this country. As for me, I declare myself entirely satisfied with the appointment which has been made.

Our good friend, the honourable senator from Saltcoats (Hon. Mr. Calder) also spoke during this debate.

I bring these facts to the house to give the lie to the reporter who stated that the

appointment of the present Governor General was just a political stunt, and that the public mind was unprepared to witness it.

Two or three members in that debate strenuously objected to the views expounded by the senators just mentioned, and only one of them is left among us—our good colleague from Saltcoats—to see the wish of his opponents in that debate fulfilled, whilst they themselves are not living to see the glorious culmination of their hope. Such is the irony of fate!

I recall these facts to show the gradual evolution of the minds in this Canada of ours towards an ever greater measure of national grandeur, and also to demonstrate that sooner or later in a democracy such as ours the will of the people prevails, whatever party may be in office at the time.

Let us give credit to whomsoever credit is due. I therefore add my compliments to those already extended to the government of the day by my honourable friends, the mover (Hon. Mr. Howden) and the seconder (Hon. Mr. Gouin) of the address in reply to the Speech from the Throne.

I do not think the government deserves our cordial approval only for the appointment of a Canadian-born Governor General, in principle and in fact; it must also be commended for the choice it made of the new incumbent, a most distinguished citizen who is at the same time a well-trained diplomat and a perfect bilinguist. I believe that he is a man who at no time would forget the rules of strict impartiality which are the absolute requisite of his high office, any more than Sir Robert Borden, Sir William Mulock or Sir Robert Falconer would have done.

The present government also deserves our congratulations for many other achievements, and most particularly for its stand on international matters. Would it not be unfair, gentlemen, to say that the tremendous advance Canada has achieved in that sphere is just a coincidence? Did not the choice of our representatives abroad, as so eloquently suggested by my honourable friend from De Salaberry (Hon. Mr. Gouin), have something to do with it? And has not the general attitude of Canada, from San Francisco to Lisbon, been a credit to those who are at present presiding over the destinies of our fast-growing nation? And the same can be said about international trade and foreign exchange, even if one takes into account the bountiful co-operation of Mother Nature in so far as natural resources are concerned.

As to immigration, some reservations should be made, of course. What a problem it is under the present circumstances! We all agree that judicious segregation should be made in that field, in spite of the universal recognition that Canada needs and can feed more and more people. It is up to us to see that the subversive elements which are causing all the trouble in foreign lands are not allowed to seek shelter and protection on our shores. One must also bear in mind that Canada is not altogether ready to absorb as much new blood as some interested countries would like to get rid of, because of seasonal unemployment and for many other reasons. Is Canada's health good enough to stand the reaction from such massive transfusions? And is all the blood we might plan to transfuse of a type corresponding to our own? I for one do not believe so. A feeling of human charity is in order, of course, but not to the detriment of justice and our own security, for peoples are not bound to sacrifice themselves in the same measure as individuals.

There are two other facts that I also wish to mention, and these ought to be a source of great pride and satisfaction on the part of all true Canadians. The first is the increased value of the Canadian dollar on the markets of the world. Our dollar not only has reached parity with its American counterpart, but has even surpassed it. I hope that never again when Canadians cross over from Windsor to Detroit they will be told with utter contempt that in value their money is next to Patagonian currency. The second fact I wish to mention is the fat surplus which our Minister of Finance has at his disposal. Although I share many of the views expressed by my honourable friend the leader opposite (Hon. Mr. Haig) regarding taxation in a general way, I was quite surprised to hear him pass such severe remarks upon the so-called misjudgment of the Minister with respect to this surplus. After all, it is better to be unexpectedly rich than unexpectedly poor.

I have endeavoured so far to recognize, without any undue exaggeration, most of the good accomplished by the present administration, and I have done so without any flattery or excessive partisanship. To prove to everybody that I have been sincere in this endeavour, I shall now offer a bit of constructive criticism with an equal honesty of purpose and an equal desire to be helpful to those who are responsible to Canada for her general peace, contentment and ever-increasing prosperity. May I be permitted from this moment on to address the house in my own language, so that I may be more explicit and remain within the scope of my argument? I hope no one in this chamber will believe that I now choose to speak in French in order not to be understood by the large majority of my colleagues, who do

not know that language. Such an impression would be ridiculous, in fact, because many of my English-speaking friends—such as the honourable senators from Wellington (Hon. Mr. Howard), Inkerman (Hon. Mr. Hugessen) and Saint Boniface (Hon. Mr. Davis)— enjoy the privilege of knowing equally well the two official languages of the country, and also because this speech, like all other speeches delivered in French, will be published in English, after a delay of only a day or two, in the *Official Report of the Debates.*

(Translation):

Honourable senators, although my name is neither Lief Ericson, Christopher Columbus, John Cabot, nor Jacques Cartier, I have just discovered a new land on this North American continent, and my discovery is so sensational that I can no longer wait to break the news of it to my colleagues of the Senate of Canada. This vast region is bounded to the north by the Arctic Ocean and the polar ice fields, to the east by the Labrador and what our contemporary geographers have agreed to call the maritime provinces, to the south, by the enormous eastern expansion of the republic beyond the 45th parallel, and to the west by my own province of Ontario. This marvellous territory, which abounds in mineral deposits and where the soil lends itself particularly well to the growing of fodder and to market gardening, is crossed diagonally by a shining silver belt, to which some unknown cartographer gave the name of St. Lawrence. Because of the latter, this region has often, itself, been called in French, "la Laurentie." It is also known as the Quebec Reserve, which is not a new term but one which current events make most topical. In common with the adjacent country which surrounds it, both east and west, this land has two parliamentary chambers, the higher one being the Legislative Council, and the lower one the Legislative Assembly. It also has—but in this it differs from its east-west neighbours —its own distinctive flag, on the folds of which shine out the symbols of its origin. Strange to say, its inordinately long boundary lines have not yet been strewn with immigration offices or customs sentries, except in so far as it was necessary to restrict the altogether too free distribution of that hapless commodity, margarine!

Everybody understands to which one of the Canadian provinces I just referred, but I want to explain now why I went into such a fanciful description.

The good old province of Quebec, which I hail with filial emotion, is my native province and I did not know I had moved from one country to another when, as a young professional man of 23 I settled in the province of Ontario . . . or Upper Canada. Still that is the impression I got recently when the old age pension cheques were issued. They all carried the federal government crest but were printed in French and English for the pensioners of the proverbial "Reserve" and in English only for the pensioners of the other provinces.

I hope others realize as I do the illogical, absurd and altogether ridiculous position in which the government placed itself when it decided to ignore the existence of the million French-speaking Canadians who live outside Quebec's Great Wall, and this for the second time in two or three years, as it had already made the same mistake on distributing the first Family Allowance cheques. But this time, as it had received numerous and solemn warnings two months before the famous cheques were issued, there was not the same excuse. Why should the necessity for Canadian unity be proclaimed on every occasion while, at the same time, barriers are raised between the "Quebec Reserve" and the other provinces? And why should this colossal blunder continue, notwithstanding the thousands of protests, individual and collective, which have been sent to the government for the last two or three months? Can the true authors of this stupid anomaly not hear the cry of popular indignation and of general resentment caused by the fact that, in this constitutionally and traditionally bilingual country, they have officially ignored the rights of the minority? It was to this indignation that I wanted to give voice today, and who would dare say that, in so doing, I am not fulfilling my duty as an authorized representative in this house of the aggrieved minorities.

I am aware, Mr. Speaker, that one of our rules forbids members of this house from making direct and personal attacks upon members of the other place, but, as far as I know, there is nothing to prevent a senator from standing up for a colleague, either here or elsewhere, when he feels that he has been too bitterly attacked; and that is exactly what I propose doing presently.

The government's position, regarding the question I have just mentioned seems so untenable, and even so provocative to me, that I cannot convince myself that the decision to issue those cheques was unanimous among its members. I am rather inclined to believe that there must have been quite a heated discussion within the Cabinet over this matter. Apparently, it was the advice of the foolhardy —to say the least—which prevailed, and now the whole government is being blamed for

this lack of caution and broadmindedness. I would therefore undertake the defence of the minister who carried the brunt of this reaction, I mean the one under whose auspices was worked out and sanctioned by Parliament this piece of social legislation which resulted in help being given to all our senior Canadians, 70 years or over. Although I do not share the secret of the gods, I am sufficiently acquainted with my own member of Parliament to vouch for the carefulness, the fairness and generosity with which he always acts, in his public as well as in his private life.

On behalf of all those for whom I am speaking today, I beseech the government to revise its attitude and to see, without any delay or beating around the bush, that all old age pensions . . . and Family Allowance cheques are printed in the two official languages of this country. The Government would be unfair to itself if it delayed any longer the removal of this blot upon its otherwise most respectable escutcheon. There is a very handy precedent which might serve to justify that revision. I refer to the historical Canadians bank notes (printed separately in English and in French) "twin bills" which caused the same kind of dissatisfaction fifteen or twenty years ago. Order was restored immediately, as soon as the government had the bright idea of putting an end to the protests by authorizing, overnight, the issue throughout the country of bilingual bills which testify to this day to the wisdom of such a decision. What is there to prevent the present government from making a similar gesture of harmony and appeasement, since the circumstances are identical in both cases?

It may be said that I am stirring up a storm in a tea cup over this matter, which hardly deserves such a display of energy. But that is not the way I see it, for it implies the recognition of the fundamental principle upon which rests the whole edifice of Canadian unity, in the peace and harmony between the two main groups of our population. And even if it were a trivial question, why should the government not put an end to our protests without further delay, if only to be rid of the annoyance which its obstinacy is causing to itself.

A great Canadian statesman, whom the present federal government rightly claims as its own, stated one day that government was not possible without mutual concessions. That may be so, but it may be just as true to say that government becomes impossible when concessions are always one-sided. How many problems which, at first, seemed impossible to solve, are settled as if by magic, as soon as a few ounces of good will and of genuine sincerity are applied to them by both parties. May this happen soon in the case which concerns us at present!

Hon. James P. McIntyre: Honourable senators, the Speech from the Throne very properly expressed sorrow at the passing of His Majesty King George VI, and also expressed loyalty to Her Majesty Queen Elizabeth II, and my first words will be in the nature of a tribute to His late Majesty, whose death we have been called upon to mourn since we last met.

The death of His Majesty King George VI cast a deep gloom over the British Empire, and particularly over the people of Canada. For sixteen years he reigned over the Empire. His exalted example of unselfishness and courageousness, and his efforts and sacrifice in the cause of peace, will long be remembered. With his passing the Empire hails a new ruler in the person of Her Majesty Queen Elizabeth II. We pledge allegiance to her; we pray that God's richest blessings may descend upon her, and that her reign may be great and glorious.

In keeping with the custom of offering congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne, may I say just a word? Over the past thirty or thirty-five years I have had the privilege of listening to speeches on many such occasions, and I can truthfully say that the speeches of the mover and the seconder on this occasion compared favourably with any that I have ever heard.

The Speech from the Throne, as usual, forecasts the legislation that will come before parliament. One of the important measures passed at the last session provided for the development of the St. Lawrence Seaway. This development has been under consideration by the authorities of both Canada and the United States for almost half a century, in fact, an agreement was signed in 1941, and on April 4, 1951, there was tabled in the House of Commons information to the effect that the two countries had tentatively agreed, in principle, to make the St. Lawrence Seaway development self-liquidating by means of toll charges.

The boundary line between Canada and the United States follows the 45th parallel until it reaches the St. Lawrence river at a point near the city of Cornwall, Ontario; from there it continues in a southwesterly direction for a distance of 115 miles in the middle of the river, in what is known as the International

Rapids Section. Consequently, in order to develop the St. Lawrence seaway it is necessary to have the approval of the United States.

The Great Lakes-St. Lawrence basin is a vast drainage system covering 678,000 square miles, 493,000 of which are in Canada and 185,000 in the United States. It includes Lake Superior, Lake Michigan, Lake Huron, Lake St. Claire, Lake Erie and Lake Ontario.

The main points where electrical energy is to be developed are: (1) St. Mary's Falls, lying between Lake Superior and Lake Huron, where there is a drop of 21 feet; (2) the St. Clair Detroit passage, joining Lake Huron and Lake Erie, where the drop is 8 feet; (3) the Niagara River, which connects Lake Erie with Lake Ontario, where there is a drop of 326 feet between the mean levels of Lake Erie and Lake Ontario; (4) the portion of the St. Lawrence River which includes the International Rapids section, Lake St. Francis and the Soulanges section, and the Lachine section, with a drop of 225 feet; and (5) the portion from Montreal to the ocean, which lies wholly in Canadian territory and has a drop of 20 feet. This in all comprises a drop of 580 feet from the head of the Great Lakes to the Atlantic ocean, a distance of about 2,000 miles.

It is estimated these five steps will develop 9,000,000 horsepower of electric energy. All this power is in Canada with the exception of 1,800,000 horsepower at Niagara and the American share of 1,100,000 horsepower in the International Rapids section. So much for the St. Lawrence Seaway.

Now, coming closer to home—the Maritime Provinces and particularly Prince Edward Island. What can be done to level out the natural and artificial disabilities under which these provinces labour? What can be done to stimulate industrial activity, to develop our vacant lands, to increase our population, to increase the income of the people of the Maritimes to the Canadian level, and to enable this section of Canada to maintain its proper place in the building of an ever expanding Canada?

In the first place, we should not be envious of the great resources of our neighbours; we should rejoice with them and do everything possible for the national development of natural resources, with the realization that progress in this directon ultimately should benefit all the partners in the Confederation.

I do not think the people of the Maritime Provinces would object very strongly to the St. Lawrence Seaway. I think they would take a broader view and realize that this important project is in keeping with vast progress that has been made by this great country of ours. No doubt the development of the seaway and the vast amount of electrical energy connected therewith would attract more manufacturing establishments from the United States and elsewhere. This would mean increased employment, in population and in consumption of agricultural products from all of which Prince Edward Island would benefit.

The Island is sometimes called the million-acre farm, the Garden of the Gulf; and agriculture plays the predominating role in the economy of the province, accounting for at least 50 per cent of the gross value of its entire production.

Though that production is small if compared with the great production of the Prairies and the Central Provinces, where the great bulk of Canada's agricultural output originates, nevertheless Prince Edward Island has taken the lead in many branches of agriculture. For instance, it produces a larger percentage of grade A bacon hogs than any other province. The Island now ships carloads of breeding stock to most of the other provinces and United States. It was the first province to introduce the systematic grading of dressed poultry and one of the first to introduce egg grading. Its high quality seed potatoes command a premium in the markets of many countries.

For many years past Prince Edward Island has been free from bovine tuberculosis. As a result, its cattle have been sold at a premium all over the North American continent, and it is generally conceded that the island possesses a livestock population more vigorous and free of disease than any area in the world. Butter, cheese, milk and cream are produced under rigid controls. We manufacture approximately 1,000,000 pounds of cheese and 5,000,000 pounds of butter annually, of a gross value of $3,000,000.

With regard to potatoes, for which the Island is famous, and which is the chief cash crop for our farmers, every effort has been made to eliminate diseases and produce only top quality. From a reorganization of the industry in 1920, as a result of experimental work with new varieties, there has emerged a vigorous industry which now exports from four to six million hundredweight of potatoes yearly and supplies seed stocks to thirty of the United States, to all Canadian provinces, to South America, and to the Caribbean markets. The value of this crop in the five years from 1946 to 1950 was approximately $33,000,000, and the total value of feed crops in the same period was $98,000,000.

The prices the farmer receives for potatoes vary considerably from year to year. For instance, the cash income for 1949 was

$8,520,000 and in 1950 it fell to $2,940,000, a drop of $5,585,000. Thus, our farmers had to put up with a serious loss. In 1950 the average yield per acre was only 223 bushels, and the average price paid was only 28 cents per bushel, plus a small support price from the federal government. Multiplying 28 cents by 223 gives only $62.44. It has been established that after taking into consideration the cost of seed, cultivation of the soil, planting, spraying, harvesting, grading, and delivering to dealers, it costs $200 to produce an acre of potatoes in Prince Edward Island. On that basis, honourable senators will realize the financial loss sustained by potato growers in that particular year. I do not know what it costs to produce an acre of wheat in the West. I venture to say that it does not cost anything like $200, but I notice that whenever my friends from the West meet with adverse conditions affecting their grain crop they put up quite a holler, and generally they are successful in getting help from the federal government. It reminds me of the old saying, "The wheel that does the squeaking is the one that gets the grease".

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. McIntyre: Rural electrification is naturally a matter of prime interest to the Maritime Provinces; and lack of it is one of the disabilities about which I spoke a few moments ago. In 1947, following a survey of Prince Edward Island, a report known as the Hogg Report was made to the provincial government. This report outlined plans for an $8 million province-wide electrification program—rather too great an expenditure for a small province like Prince Edward Island. A fine gentleman, the late Mr. MacNicol, a former Conservative member of the federal house from Ontario, and a past president of the Conservative Association, visited the Island different times. He took a very broad view of the situation and said that the Dominion Government should pay one-third of the cost of building Maritime plants and erecting transmission lines. He said the federal government should also make capital grants and pay a subsidy on additional power produced and sold. If this were done Prince Edward Island would gain tremendously by being linked up with the other Maritime Provinces in a power development scheme. There is no question that this would bring about a great improvement in rural conditions as well as in productive capacity.

In the anticipation of the government spending hundreds of millions of dollars on the St. Lawrence Seaway, I think it is only fair that the Maritime members of the Senate and the House of Commons should try to persuade the government that something along this line would be beneficial to the Maritime Provinces, and that it would also help those in the rural sections who cannot help themselves. It would be something in lieu of the vast expenditure that is anticipated for the building of the St. Lawrence Seaway.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. McIntyre: There is another matter I should like to speak about. I wish to call the attention of the Canadian National Railway officials to the Pullman service between Charlottetown and Montreal. What I suggest will not entail any additional expense. The Pullman car arriving at Cape Tormentine is connected with the St. John train and hauled to Moncton, then switched on to the *Scotian* which is due in Montreal at 8.45 a.m. the next morning. It is very seldom on time, however, and passengers for Ottawa miss connections with the train leaving Montreal at 8.55 and are obliged to remain in Montreal until 4.30 in the afternoon. It would be just as easy for the C.N.R. officials to have this Pullman switched to the *Ocean Limited*, that invariably arrives in Montreal at 7.15 a.m. This would give passengers plenty of time to make connections with the Ottawa train leaving Montreal at 8.55 a.m., so that they would not have to walk the streets or sit around in hotel lobbies for seven or eight hours, waiting for the afternoon train. As I say, this is something that could be easily arranged by the railway officials without any extra cost.

Honourable senators, Prince Edward Island has many tourist attractions. I do not wish to appear boastful, but in eleven months of last year the car ferries *Abegweit* and *Prince Edward Island* carried 113,719 passengers between the Island and Cape Tormentine. They also transported 37,685 cars. Further east the other ferries that run between Cariboo, Nova Scotia, and Wood Island, P.E.I., carried an estimated 40,000 passengers and 21,000 cars. This represents nearly double the population of the Island. The pastoral scenery of the Island has a singular loveliness and charm, and there are miles of paved roads which make motoring a pleasure. The accessibility of golf courses, beaches, summer hotels, the National Park, the presence of historic sites of national interest, the quiet havens of rest, and the delightful climate, all tend to appeal to the tourists' fancy. Fresh seasonable foods are always available, and the tourist will find all his requirements met, because the province is famous for the freshness and variety of its foods. In conclusion, I wish to extend to all honourable senators a cordial invitation to visit Prince Edward Island.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hawkins: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Hawkins was agreed to, and the debate was adjourned.

EASTER ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, before we adjourn I wish to give the house as much information as I can about the forthcoming Easter recess. As honourable senators know, the House of Commons is likely to adjourn for Easter from April 9 to April 21. For the Senate I have two possible dates to propose. The first is the same as that for the other house, April 9.

Then if later on I see no reason why it will be necessary for us to meet here on Tuesday and Wednesday, April 8 and 9, I shall ask the Senate to adjourn on Thursday, April 3. I wish to make it clear that at the moment I know of no particular reason why we should not be able to adjourn on that date, but experience has taught me from time to time that occasionally something unforeseen develops at the last minute before a date proposed for adjournment, and we have to continue our sittings in order that certain legislation may be passed and given the Royal Assent.

On whatever date we do adjourn, I intend to move that we stand adjourned until Tuesday, April 29. As soon as I can give more definite information as to the date on which the adjournment will begin, I shall be only too happy to do so.

Hon. Arthur Marcotte: Honourable senators, with consent of the house I should like to make a few remarks. A few years ago, when the Senate took its Easter adjournment, it was the custom to allow us travelling expenses between Ottawa and our places of residence, or wherever else we went at that time. Suppose, for instance, that any of us, on doctor's orders or for any other reason, decided to go somewhere for a vacation at Easter, our travelling expenses were allowed. Today, however, we cannot claim a refund of any money spent for travelling at Easter beyond the cost of the trip home, if we do go there. I think that is most unfair.

One more point. I have been a senator now for more than twenty years, and when I first came here I was surprised to find myself entitled to an allowance of $15 a day for travelling expenses. Yet, notwithstanding the big increase that there has been in the meantime in the cost of transportation, meals and so on, that allowance has not been raised. Is that fair?

I should like to have the leader of the government (Hon. Mr. Robertson) take up with the proper authorities the two points that I have raised. I do feel that the daily allowance for travelling expenses should be raised, and that we should be entitled to the allowance if we travel more than 400 miles away from Ottawa during the Easter adjournment, regardless of whether we go to our homes at that time or not.

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

THE SENATE

Thursday, March 25, 1952

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:—

Bill G-2, an Act for the relief of Florence Edith Holland Clarke.

Bill H-2, an Act for the relief of Olga Pretula McConnigal.

Bill I-2, an Act for the relief of Andre Roy.

Bill J-2, an Act for the relief of Libertia Vinivar McClusky Rutherford.

Bill K-2, an Act for the relief of Therese Michel Paquette.

Bill L-2, an Act for the relief of Alice Courey Salhany.

Bill M-2, an Act for the relief of Vivian Clement Mole.

Bill N-2, an Act for the relief of Olga Katchan Parisella.

Bill O-2, an Act for the relief of Frederick Ernest Marlow.

Bill P-2, an Act for the relief of Frederick James Perkins.

Bill Q-2, an Act for the relief of Roger Lessard.

Bill R-2, an Act for the relief of Phyllis Muriel Skelcher MacDonald.

Bill S-2, an Act for the relief of Audrey Jessie Elizabeth Kinnear Park.

Bill T-2, an Act for the relief of Alfred Ernest Farebrother.

Bill U-2, an Act for the relief of Herve Brunelle.

Bill V-2, an Act for the relief of Jean Frew Hawkins.

Bill W-2, an Act for the relief of Lucy Elliott Dolan.

Bill X-2, an Act for the relief of Phyllis Kaplan Holloway.

Bill Y-2, an Act for the relief of Marie Anna Brassard Bachand.

Bill Z-2, an Act for the relief of Sema Rubin Charles.

Bill A-3, an Act for the relief of George Louis Draper.

Bill B-3, an Act for the relief of William Young.

Bill C-3, an Act for the relief of Ruth Evelyn Seivewright Day.

Bill D-3, an Act for the relief of Mollie Balacan Pantel.

Bill E-3, an Act for the relief of George Edward Gumbley.

Bill F-3, an Act for the relief of Dorothy L. Grauer Shapiro.

The bills were read the first time.

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

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

PRISONS AND REFORMATORIES BILL

FIRST READING

Hon. Mr. Robertson presented Bill G-3, an Act to amend the Prisons and Reformatories Act.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Roebuck presented Bill H-3, an Act respecting the Royal Canadian Academy of Arts.

The bill was read the first time.

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

Hon. Mr. Roebuck: Thursday next.

ALUMINIUM LIMITED—ACCELERATED DEPRECIATION

INQUIRY

Hon. Mr. Reid inquired of the government:

(1) Have any representations been made by Aluminium Limited for accelerated depreciation on behalf of its subsidiary Aluminum Company of Canada, in connection with Alcan's new power project under way in British Columbia?

(2) If so, has any decision been arrived at by the government in the matter?

(3) If the request by Aluminium Limited for accelerated depreciation is granted, what amount of money will be involved in any such grant or request?

Hon. Mr. Robertson: The answers to the questions are as follows:

1. Representations for accelerated depreciation in connection with the British Columbia project were made by the Aluminum Company of Canada, and not by Aluminium Limited.

2. Yes.

3. Estimated capital expenditure to be made on the British Columbia project is $164,995,000. Estimated amount of depreciation which may be taken for income tax purposes in the years 1951 through to 1957 which, had the application not been granted, could have been taken in subsequent years is $70,218,500.

STANDING COMMITTEES

INCREASE IN MEMBERSHIP—MOTION

Hon. Mr. Robertson moved:

That the rules of the Senate be amended by striking out paragraphs 5, 17, and 19 of rule 78 and substituting therefor the following:

"5. The Committee on Transport and Communications, composed of fifty senators."

"17. The Committee on Finance, composed of fifty senators."

"19. The Committee on External Relations, composed of thirty-five senators.'

He said: Honourable senators, the action proposed in this motion is a direct reversal of the action taken by this house some six months ago when, as a result of a motion by myself, we reduced the membership of three of our standing committees. At that time the membership of the Committee on Transport and Communications was reduced from fifty to seventeen, that of the Finance Committee from fifty to seventeen, and that of the External Relations Committee from thirty-five to seventeen. The purpose of the motion now before the house is to restore the memberships of these three standing committees.

Honourable senators may recall that I introduced my earlier motion with the object of giving some of our standing committees an opportunity to deal with certain legislation before it reached this house, and in order that these three committees might approximate more closely the size of our special committees, I suggested that we reduce the membership of each of them to seventeen. At that time some honourable senators doubted the wisdom of my motion, and I believe in due course a recorded vote was taken.

I stated more than once during the debate that perhaps the debate itself had influenced me somewhat, but nevertheless I assured the house that if after a trial of the reduced memberships it was considered wise to restore the committees to their former size, I would move that this be done.

It may be recalled that, for reasons beyond their control, two of the committees did not sit at all last session. The third one, the Committee on Transport and Communications, met several times, and the attendance was good.

When the Selection Committee was at its work at the beginning of this session the point was raised that, as a result of last year's resolution, the strength of each of these committees was still only seventeen. I suggested to the Selection Committee that we nominate seventeen members for each of these standing committees, and that the chairman of each, when reporting to the house, might draw attention to the fact that only seventeen members had been nominated, thus providing an opportunity to discuss the matter and find out the wish of the Senate. Subsequently, and before the Selection Committee's report was adopted, I had occasion to consult with a very representative group of senators, including the chairmen of the three committees concerned, and the consensus of opinion among those whom I consulted was that a membership of seventeen was too small and that the number should be increased.

There was not, perhaps, the same unanimity of opinion as to what the increased membership for each of the committees should be. I think it was generally held that the Transport and Communications should have fifty members.

Prior to the time at which I came to the Senate—as may be recalled by senators who were here then—this committee was known as the Committee on Railways, Telegraphs and Harbours, and I believe that for legislative purposes it was used perhaps more than the Banking and Commerce Committee has been used in recent years. In any event, those two committees were the principal ones to which bills were referred for study. I believe the senator from Ottawa (Hon. Mr. Lambert) pointed out that there was indeed a time when the membership of the Committee on Railways, Telegraphs and Harbours was larger than that of the Banking and Commerce Committee. In any event, there does not seem to be much doubt that the general wish is to have the Transport Committee composed of fifty members.

Now I shall refer to the other two committees. When I first became government leader the Committee on Finance had thirty-five members. It may be recalled that just about that time the size of most committees was increased, and Finance was given fifty members. I think that at the same time the membership of the External Relations Committee was increased from twenty-five to thirty-five. There is some difference of opinion among senators whom I have consulted as to whether these committees should now be given fifty and thirty-five members respectively. Therefore, in the absence of any clear view on the point, I have thought it best to recommend to the house that the committees be restored to their former size; and if in due course it should appear desirable to reduce the membership of either, or both, that question could be considered later. That, honourable senators, is in substance my explanation of the motion.

Perhaps I may be permitted to mention one other point which, though not directly bearing on the subject, does have some relation

to it. Honourable senators who were present at the organization meeting may remember that there was some discussion about the manner in which members were selected for such senior committees as Banking and Commerce, and Transport and Communications, to which most of our legislation is referred for consideration and the hearing of witnesses. From time to time different senators, particularly among the more recent appointees to the house, have asked if they might be made members of the Banking and Commerce Committee, for instance, and I have explained that when the Selection Committee makes its report, shortly after the beginning of each session, it usually nominates the full number of members for the various committees. Generally speaking, appointments have been made on the basis of seniority and geography; and vacancies have been filled as they occurred. I have been asked if it was not true that some senior members found it inconvenient to attend certain committee meetings. Of course it is true that the attendance varies, not only in Senate committees but in committees set up outside parliament.

I have given considerable thought to the question of whether it is not possible to improve on the procedure adopted by the Selection Committee, and to that end I have a suggestion to make. So that there will be no misunderstanding, I have written down precisely the thought I have in mind, and when I have stated it I shall elaborate a little as to how it would work out. First, I would remind honourable members that this is not a motion but, as I have said, a suggested change of policy, which I have discussed with some honourable senators, including members of the Seleetion Committee.

My suggestion is that at the beginning of each session the Selection Committee, in its first report, nominate for each of the large standing committees approximately two-thirds of its full membership, leaving the balance to be selected in the light of express requests by individual members. In preparing its first report the Selection Committee should be guided by the previous membership list and should take for a committee those who have displayed the greatest interest in the work of that committee by attending its sessions. If I may elaborate a little, by way of illustration, I will attempt to show how the new arrangement would work out. In the past, in setting up the Standing Committees on Banking and Commerce and on Transport and Communications, for instance, the Selection Committee has shown in its initial report practically the full membership. There were a few exceptions—on the Transport Committee, I think, and some others—where four or five vacancies were left so that if new senators were appointed before new committees were struck there would be vacancies to which they could be appointed. Under the suggested procedure the Committee of Selection could meet, as it now does, within a few days after the opening of the house, and appoint thirty-five of the fifty members of one of the main standing committees. The chairman, in presenting his initial report, could perhaps point out that these thirty-five members had been appointed on the basis of the interest they had shown in the work of the committee, and that another meeting of the Selection Committee would take place within a period of perhaps two weeks. This lapse of time would allow honourable senators, who so desired, to make application to become members of the committee. The Whips on both sides of the house could be present at the second meeting, and all senators who wished to join could be named to fill the fifteen vacancies. If there were more than fifteen applicants it would be necessary for the Selection Committee to judge the relative merits of the applicants.

I can foresee no great difficulty in this, and unless there are representations to the contrary, or I hear something in the discussion which causes me to change my mind, I shall suggest that this policy be adopted in future by the Selection Committee, so that those interested in becoming members of a committee may have an opportunity to do so if others feel unable to continue to serve.

The other point I want to make relates to the resolution on the order paper as it affects individual committees. If the resolution is adopted this evening, the question will arise, how soon can additions to the membership be made? The matter is of some urgency in respect of the first two committees; as regards the third, immediate action is not so important. A meeting of the Committee on Transport and Communications has been called for tomorrow; and the Chairman of the Committee on Finance would like to have his committee meet as soon as possible. As honourable senators know, the Selection Committee has given some thought to additional members of these committees if this resolution should be approved by the house. I suggest that the principle I have outlined as applicable next session might be put in force at once, for we shall be adding thirty-three members each to the Committee on Transportation and Communications and the Committee on Finance. Up to the present, three senators who are not members of

the Transport and Communications Committee have intimated that they would like to be appointed to it. Apart from this, the Selection Committee have had no indication as to senators' preferences. The Selection Committee had before it a record of attendances in the past two years, and were influenced in their nominations by this evidence as to those who displayed the greatest interest in the committees' work.

I have this suggestion to offer, but shall not urge unless it receives the complete approval of the house.

At this time the membership of the Committee on Transport and Communications consists of seventeen appointed and two ex officio members. The list has been gone over in anticipation of the motion before the Senate being carried this evening. Under ordinary circumstances action would follow as soon as the Selection Committee would meet; but if the Transport Committee is to meet tomorrow morning there will not be much time, and I have suggested, and the Selection Committee has tentatively agreed, that to this number of seventeen there be added twenty, *ad interim*, making a total of thirty-seven. The membership will then include the three honourable senators who have asked to be added, and seventeen others who in times past have most regularly attended the committee's meetings. There will remain thirteen vacancies, which need not be filled until after the adjournment, so that there will be full opportunity to find out which honourable senators are interested in joining the committee.

The same course has been adopted with regard to the Committee on Finance. At present it consists of seventeen members. We have selected fifteen others, bringing the total to thirty-two. If this recommendation is accepted, there will remain eighteen vacancies which may be filled by other honourable senators who would like to sit on that committee. If and when the house gives approval to the motion to increase the strength of the committees, we might revert to the Order "Reports of Committees", whereupon the Chairman of the Selection Committee will move that twenty honourable senators, whose names will be read, be added to the Committee on Transport and Communications. But to enable the committee so constituted to begin its work tomorrow, the Senate must change the practice of allowing the report to stand for a day. I leave the matter to the judgment of the house.

Hon. J. H. King: I do not rise to object to the proposal which has been made by our leader, but I hesitate to do anything to facilitate the formation of committees in the way that has been suggested. It seems to me that we are labouring the question too much. There is a Selection Committee which now has the power to appoint from among the persons who are qualified to sit in this chamber. That committee will meet tomorrow morning: let it do so, and select the required number. If any honourable senator does not want to serve, he can tell the committee "I am not anxious to serve; put somebody else on it." It is, I believe, most unusual for honourable senators to canvass the leader or to debate among themselves as to how they shall get on a committee. Appointments are made on the basis of experience and of work done. The only thing I object to in my leader's statement is that he was making a suggestion, not a motion, that it might be arranged at the first of the session to select forty-three members and leave seventeen seats vacant so that some individual or some group might canvass the situation.

Although I have no objection to this proposal being put into effect this year, I do not think it should become a precedent. The Selection Committee should be established in the ordinary routine of business, and when it meets, those who are anxious to serve on committees will undoubtedly make their desires known; and the leader and the committee, using their best judgment, will from the material available to them, select the personnel of the committees on the basis of ability and willingness to serve. But let us not labour this matter further. I hope that next year the Selection Committee will itself make all the appointments, and I am satisfied that if it does so there will be no complaints.

Hon. Thomas Reid: May I, as a comparative newcomer to the Senate, say a word with regard to this motion? There is no doubt that the work of our committees is the most important work we are doing. It is too bad that so much of it is carried on behind closed doors, and that therefore it receives no publicity.

On one point I am inclined to disagree with the honourable senator from Kootenay East (Hon. Mr. King), and to agree with the government leader (Hon. Mr. Robertson), who said that some regard should be paid to attendance. If there are honourable senators who do not want to work on the committees they should not feel annoyed if they are not reappointed. Speaking for myself, I have always taken a keen interest in committee work, and if I am wanted I shall do my best to attend. It is my job and my responsibility. I know that many others are of the same mind. But take the Banking and Commerce

Committee: I am beginning to think that to belong to that committee one has to be well on in the Senate.

Hon. Mr. Horner: Special privilege!

Hon. Mr. Reid: I wanted to be on that committee. But no, I am left out. I am not complaining about that, but I would stress this matter of attendance, because if there are some members of the committee who have not attended even one meeting, there is no reason why they should not be relieved of membership and have their places taken by others who want to do the work? Since I have been here most of our legislation has been referred to the Banking and Commerce Committee. I do not complain bitterly about not having been appointed to it, but I repeat that, as there are members who have never attended one meeting, it is time they were dropped. What ground of complaint could they have? If I do not attend a committee, strike me off and I will not complain. How could any senator complain under such circumstances? It seems that when a member has been here long enough he is automatically chosen to serve on our special committees. Well, many of us newcomers do not agree with that idea, and I am frank to say that I for one do not. There is a great deal of merit in the proposal of the honourable leader (Hon. Mr. Robertson). The committees should be set up and those members who do not attend should be stricken off the membership list until they ask to be reinstated.

Hon. Mr. King: The Selection Committee can have that information before it when it meets for the purpose of making appointments. Members who do not wish to attend certain committees can say so.

Hon. W. M. Aseltine: Honourable senators, approximately a dozen senators sit daily on the Divorce Committee.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Aseltine: We do not work a three or a five-day week. We work six days a week, so at times it is quite impossible for us to attend the meetings of other committees.

Hon. Mr. Reid: I would except members who serve on the Divorce Committee.

Hon. Mr. Aseltine: We commence work at 10.30 in the morning and continue until we finish, whatever time in the day it may be. Therefore, in my capacity of Chairman of the Divorce Committee I should like to be consulted before anyone is dropped from our Standing Committees. I should like to advise the leader (Hon. Mr. Robertson) and the other members of the Selection Committee of the feelings of the members of the Divorce Committee in this regard.

Hon. Mr. Robertson: As the honourable gentleman from Rosetown (Hon. Mr. Aseltine) is a member of the Selection Committee, I give him my undertaking that we shall not proceed with this matter until he is present at the meeting.

Hon. Mr. Reid: Honourable senators, when I made my remarks about those who do not attend committee meetings I was not thinking of the members of the Divorce Committee. I have a great deal of respect for the gentlemen who serve on that committee.

Hon. John T. Haig: Honourable senators, I believe I have been a member of the Selection Committee since I was first called to the Senate. I do not usually agree with my honourable friend from Kootenay East (Hon. Mr. King), but I honestly do not think there should be any canvassing of the members of the Selection Committee in order that this or that person may be put on any committee. For one thing, I do not believe it is in keeping with the dignity of this chamber. If we do not appoint the proper members to the Selection Committee, it is our own fault. If the honourable senators from Rosetown (Hon. Mr. Aseltine), Inkerman (Hon. Mr. Hugessen), Shelburne (Hon. Mr. Robertson), Provencher (Hon. Mr. Beaubien), Ottawa (Hon. Mr. Lambert), Bedford-Halifax (Hon. Mr. Quinn) and others do not choose the right men to serve on the Senate committees, others should be appointed to make the selection.

I agree with the leader of the government (Hon. Mr. Robertson) that we are faced with a problem. Some members, after serving faithfully on a committee for five or ten years, may become ill, and you do not like to drop them from a committee, because they may again be able to serve on it later. It is not necessary for all the members of a committee to be present in order that it shall make decisions based on sound judgment. I hope the honourable gentleman from Kootenay East (Hon. Mr. King) will accept the suggestion of the honourable leader and allow these new names to be added to the membership of the Transport Committee, because tomorrow morning that committee will have to deal with certain legislation.

Our Finance Committee has done a wonderful job, thanks to its chairman (Hon. Mr. Crerar).

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: He has brought great credit to the Senate, and our Canadian newspapers, irrespective of their political leanings, accept his financial report without question. People may wonder whether the Senate does any work, but one thing they do know is that it

brings out a good financial report. The Chairman of the Finance Committee has some good ideas, and I think his committee should be allowed to get under way without any delay so that arrangements can be made during our Easter recess to obtain any statistical data which the members of the committee would like to have. I am sure, too, that honourable senators would like to get the major portion of their committee work completed before the warm summer weather comes. I hope that the motion of the honourable leader opposite will be agreed to tonight, so that during the next two weeks the Transport Committee and the Finance Committee can clean up whatever legislation comes before them. Then people will not be able to accuse the Senate of leaving things undone when it takes a three-weeks recess at Easter. I would strongly urge that the house adopt the motion.

Hon. Mr. King: I have already consented to that.

Hon. J. J. Kinley: It is proposed that the Committee on Transport and Communications shall be composed of fifty members, though at the present time there are only about ninety members of this house. This will mean that the Transport and Communications Committee will be comprised of more than half of the whole Senate membership. Notices of several committee meetings for tomorrow have been handed out, and each honourable member has to decide which committee he will attend. My point is that there can be no concentration of effort if there are fifty members serving on each of our heavy committees.

It is the quorum that presents the difficulty in the operation of a committee. I do not find any particular fault with a committee having a large membership, but for the purposes of holding meetings I think the quorum should be relatively small. We should try to be specialists in certain fields and not attempt to cover everything. If an honourable senator does a good job on one or two committees he will be making a worth-while contribution to the work of the Senate. For instance, the chairman and members of the Divorce Committee do a good job. If honourable senators are faced with the problem of deciding which one of several committees they will attend, they will most likely choose the most interesting one, and as a result the more arduous work of other committees may suffer. I think there was considerable virtue in what was tried out last year. I feel that the people who attend committees and do the work should be selected, but it must be borne in mind that one can attend only one committee at a time, and that concentration brings the best results.

Some Hon. Senators: Question.

The motion was agreed to.

ADDITIONS TO MEMBERSHIP

Hon. A. L. Beaubien presented the report of the Committee of Selection.

The report was read by the Clerk Assistant as follows:

The Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session, have the honour to report herewith the following list of senators selected by them to be added to the list of senators serving on the following standing committees, namely:

TRANSPORT AND COMMUNICATIONS

The Honourable Senators Beaubien, Duffus, Emmerson, Euler, Fafard, Gouin, Hardy, Isnor, King, Lambert, MacKinnon, MacLennan, Marcotte, McGuire, McKeen, Quinn, Stambaugh, Venoit, Vien and Wood.

FINANCE

The Honourable Senators Baird, Beaubien, Burchill, Campbell, Euler, Farris, Fogo, Gershaw, Hawkins, Horner, Lambert, Paterson, Reid, Roebuck and Turgeon.

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

Hon. Mr. Beaubien: With unanimous consent of the Senate, I move that it be concurred in now.

The motion was agreed to.

PRIME MINISTER OF CEYLON

EXPRESSION OF SYMPATHY

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators will have learned with the deepest regret of the tragic death of the Prime Minister of Ceylon, the Right Honourable Don Stephen Senanayake.

His loss will be felt throughout the British Commonwealth and, indeed, the whole free world, no less than in his own country.

The late Prime Minister served Ceylon faithfully and with the greatest distinction for almost a third of a century, and it was under his leadership that Ceylon attained dominion status in 1948, becoming a member of the Commonwealth of Nations. As an interpreter of Asia Prime Minister Senanayake gave counsel that was invaluable, and the lack of his firm dedication to democratic principles will constitute a loss which the free world as a whole will feel keenly. To the

members of the late Prime Minister's family, and to his people, we extend our deepest sympathy.

I beg to move, seconded by the Leader of the Opposition (Hon. Mr. Haig), that we in this chamber rise and stand for a moment in respectful silence.

Honourable senators rose and stood in their places.

FINANCE COMMITTEE

REPORT CONCURRED IN

The Senate proceeded to consideration of the first report of the Standing Committee on Finance.

Hon. T. A. Crerar: Honourable senators, as this order stands in my name I suppose the only thing for me to do now is to move concurrence in the report that was presented last week. I so move.

The motion was agreed to.

TRANSPORT AND COMMUNICATIONS COMMITTEE

REPORT CONCURRED IN

The Senate proceeded to consideration of the first report of the Standing Committee on Transport and Communications.

Hon. A. K. Hugessen: Honourable senators, this report stands in the same position as the one just adopted. The report recommends that the quorum of the Standing Committee on Transport and Communications be reduced to seven. I understand that heretofore when the membership of the committee was fifty the quorum was nine, and I expect to submit to the house later on a further report recommending that the quorum be increased to that number. At present, though, I am moving that the report before us be concurred in now, so that the committee may be able to get to work tomorrow morning.

The motion was agreed to.

COMMITTEE OF EXTERNAL RELATIONS

REPORT CONCURRED IN

The Senate proceeded to consideration of the first report of the Standing Committee on External Relations.

Hon. L. M. Gouin: Honourable senators, I move that the report be now concurred in.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill N1, an Act for the relief of Pauline Augusta McCaskill Foulis.

Bill O-1, an Act for the relief of Hilda Avrith Grossman.

Bill P-1, an Act for the relief of Sarah Grossman Grotsky.

Bill Q-1, an Act for the relief of Rose Dorothy Weatherbee Stopps.

Bill R-1 an Act for the relief of Nancy Jean Tolmie Dawson.

Bill S-1, an Act for the relief of Misha Paunovic.

Bill T-1, an Act for the relief of Eva Ena Guenard Brassard.

Bill U-1, an Act for the relief of Helen Maude Walmesley Cherry.

Bill V-1, an Act for the relief of Margaret Ann Greenaway Worrell.

Bill W-1, an Act for the relief of Isabel Welch Remillard.

Bill X-1, an Act for the relief of Eileen Shirley Guttman Fagen.

Bill Y-1, an Act for the relief of Helen Myrtle Woods Poullos.

Bill Z-1, an Act for the relief of Karl Gunnar Tammi.

Bill A-2, an Act for the relief of Peter Nicol Crowe.

Bill B-2 an Act for the relief of Fred Jenne Fyles.

Bill C-2, an Act for the relief of Louisa Crawford Gordonsmith.

Bill D-2, an Act for the relief of Rhoda Hayes Goulet.

Bill E-2, an Act for the relief of Malfice Ciccone Nadeau.

Bill F-2, an Act for the relief of Mary Rita Estella Brennan Henderson.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate I move that they be read the third time now.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, March 20, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of the Hon. Mr. Howden for an Address in reply thereto.

Hon. Charles G. Hawkins: Honourable senators, first I wish to congratulate the mover, (Hon. Mr. Howden) and the seconder

(Hon. Mr. Gouin), of the Address in reply to the Speech from the Throne, upon their excellent contributions to the debate. Their speeches drew our attention to the very buoyant condition of our affairs here in Canada, and it is regrettable that world conditions make it imperative that we appropriate such a large portion of our wealth and effort to the problems of defence. Under existing conditions we have no alternative, as the first responsibility of government is to assure to its people the permanency of their institutions and way of life, and the first step in this direction is preparedness. I feel that the vast majority of the citizens of this country are ready to meet this challenge and to accept the sacrifices necessary to do so.

The record of Canada's progress during the first half of the century reads almost like a fairy tale. Upon examining that progress we find that it has been general in many fields of endeavour; but on reviewing the reasons for this spectacular advance during recent years, it will be noted that while many factors have contributed to this happy position, not the least of which is the industry, stability and integrity of our people, we are bound to admit that nature has most generously endowed this land, and much of our wealth, real and potential, is, or will be, the result of this heritage.

Both the diversity and the volume of these great natural resources could easily lead us to believe that they are inexhaustible; and by reason of the vastness of our territory we could easily become prodigal in their development and utilization. The great land mass of the northern part of this continent can give to many the impression that we have little need to be concerned with our own future.

If we agree that one of the reasons for the good life we enjoy is the result of a bountiful Creator, it might be well for us to make a mental inventory of our legacies.

Our agricultural development has advanced far beyond the needs of our own people, and makes a substantial contribution to the needs of those less fortunate than ourselves. We produce in abundance many of the staple foodstuffs necessary to human existence and health. While our policy in this field has been progressive, and a great deal is being done to guarantee the continued productivity of our soil, much remains to be achieved. Notwithstanding our great development in this field, agriculture presents many problems, and our greater production of foodstuffs could well make a great contribution to world peace and stability.

Many say that our vast mineral deposits have scarcely been scratched, and that is probably correct; but honourable senators, these treasures once removed are gone forever, and it should be our responsibility to see that future generations are assured of a fair share of these reserves.

Again, we have been most grievously unaware of the great possibilities of our fisheries. The maritime portion of our country is closely adjacent to some of the world's best fishing grounds, and practically the whole inland area is well served with fresh water lakes and streams, many of which still abound with excellent food fish.

We produce more of this commodity than we need for ourselves, but already there are indications that many of the more desirable varieties of edible fish are less plentiful than heretofore. I realize too that many of the prolific fishing areas are beyond our control, and I submit that we should be seriously concerned with the conservation and perpetuation of this great source of food supply.

Honourable senators, not the least of our great sources of wealth is our forests. They, unlike our mineral resources, can continue to render to mankind tremendous service if we exercise adequate care for their protection and utilization. Moreover, unlike returns from agriculture, which generally speaking are largely the result of personal effort, sustained yields from the forest can only be accomplished by long-term planning. Our generation has a responsibility to at least maintain this great national asset at as high a productive level as that at which we found it.

Without going into detail, let me mention some of the contributions the forest makes to our national life and income. It is the source of raw material for our great lumber, paper and fibre industry. Of course, this is evident and known to you all; but further, our great hydro electrical development, which has contributed so much to our wealth and comfort, would be greatly handicapped, and in many instances unable to function, if our watersheds were denuded. A great many of our game and fur-bearing animals depend on the forest for their existence. Most of our edible inland fish depend for their food on streams and lakes that are nurtured and protected by adequate forest cover. Forests are the most efficient and adequate flood control factor known to man, and in many ways contribute to the prevention of soil erosion and many other problems which confront agriculture. The recreational possibilities of the forests are practically unlimited, and

life in the forested outdoors tends to make for a fuller life, especially among our youth.

It is said that Canada has the greatest remaining coniferous forest area in the free world. This statement could easily tend to make us feel secure, and might even tend to smugness. But the fact remains that even if this is true, no one can say with surety whether our depletion exceeds our growth. Some maintain that all is well, while no less an authority than the Canadian Forestry Association predicted in 1949, that, under existing extraction methods, Canada's supply of merchantable timber would disappear in sixty years. I submit that both predictions are merely guesses, and suggest that neither of them is based on factual information.

I fully realize that the title to and administration of most of our forest lands is vested in the provinces, but I also feel that the nation as a whole has a heavy responsibility to conserve a natural resource which contributes in such substantial degree to our national wealth and way of life.

My own province, Nova Scotia, has legislation controlling cutting on both public and privately owned land within the province, and while at the time of its introduction this was a very controversial subject, it is now generally accepted by both private landowners and the public generally as a very progressive step.

More recently, the Minister of Resources and Development, Honourable R. H. Winters, proposed legislation that was passed, the object of which was to co-operate with the provinces in furthering the better utilization, conservation and protection of this great national asset. Further, many of the wood-using industries, now concerned about their sources of supply, are appropriating substantial sums to conduct research into extraction, utilization and regeneration.

All of these activities by their very nature are long-term undertakings, and demand, if they are to be productive and effective, the endorsement of the public generally. If the people are fully informed of the possibilities and benefits of such programmes to their future welfare, I feel we can be assured of their whole-hearted support.

Now, honourable senators, it has often been said in this chamber that it was intended as a place of sober, second thought. This suggests that we should be the guardians of the rights and privileges of both present and future generations. The problems I have attempted to outline to you in connection with the utilization of our natural resources demand intensive study and review; further, they are the concern of the whole nation. In fact, I might suggest that this be a subject of investigation by a special group of this house, or it could well be referred to the Standing Committee on Natural Resources.

This house, made up as it is of members from all parts of Canada, being representatives of the professional, economic and cultural life of the nation, should be eminently qualified to make such continuing investigations; and if it should embark on such a venture, I suggest that it would make a worthwhile contribution not only to the present generation, but to those who will follow us.

If we are to continue to maintain our position among the nations of the free world, I believe it is vital that we take prompt and definite steps to assure those who follow ample opportunity to fulfil the great destiny that a bountiful Providence has made available to us.

Some Hon. Senators: Hear, hear.

Hon. Mr. Marcotte: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Marcotte was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 26, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill Q, an Act respecting Gulf Pulp and Paper Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill Q, an Act respecting Gulf Pulp and Paper Company, have, in obedience to the order of reference of March 19, 1952, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 2: Strike out clause 2 and substitute the following:

"2. The Company shall have power:

(a) To take, or otherwise acquire and hold shares, debentures or other securities of any other company having objects altogether or in part similar to those of the company, or carrying on any business capable of being conducted so as, directly or indirectly, to benefit the company, and to sell or otherwise deal with the same;

(b) To lend money to any other company, or any society, firm or person, having dealings with the company or with whom the company proposes to have dealings or to any other company any of whose shares are held by the company;

(c) To raise and assist in raising money for, and to aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any other company with which the company may have busines relations or any of whose shares, debentures or other obligations are held by the company and to guarantee the performance or fulfilment of any contracts or obligations of any such company or of any person with whom the company may have business relations, and in particular to guarantee the payment of the principal of and interest on debentures or other securities, mortgages and liabilities of any such company;

(d) To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined."

The Hon. the Acting Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Bouffard: Next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills presented the report of the committee on Bill D, an Act respecting the British Northwestern Fire Insurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneaus Private Bills, to whom was referred Bill D, an Act respecting the British Northwestern Fire Insurance Company, have in obedience to the order of reference of March 13, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the Senate, I move the third reading now.

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

TRANSPORT AND COMMUNICATIONS COMMITTEE

INCREASE IN QUORUM

Hon. A. K. Hugessen presented the second report of the Standing Committee on Transport and Communications.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications beg leave to make their second report, as follows:

Your committee recommend that their quorum be increased from seven members to nine members.

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

Hon. Mr. Hugessen: Honourable senators, with leave, I move that the report be concurred in now.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen: presented the report of the Standing Committee on Transport and Communications on Bill O, an Act to incorporate Boundary Pipeline Corporation.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred Bill O, an Act to incorporate Boundary Pipeline Corporation, have in obedience to the order of reference of March 19, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Wood: With leave of the Senate, now.

An Hon. Senator: Next sitting.

The Hon. the Acting Speaker: Next sitting.

EXTERNAL RELATIONS COMMITTEE

ADDITION TO PERSONNEL

Hon. A. L. Beaubien presented the report of the Committee of Selection.

The report was read by the Clerk Assistant as follows:

The Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session, have the honour to report herewith the following list of senators selected by them to be added to the list of senators serving on the Standing Committee on External Relations, namely:

The Honourable Senators Dennis, Doone, Farris, Hardy, Hayden, Hugessen, McLean, Nicol, Taylor, Vaillancourt and Wilson.

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

Hon. Mr. Beaubien: Next sitting.

THE ESTIMATES

REFERRED TO COMMITTEE ON FINANCE

Hon. Wishart McL. Robertson moved:

That the Standing Committee on Finance be authorized to examine the expenditures proposed by the estimates laid before parliament for the fiscal year ending March 31, 1953, in advance of the bills based on the said estimates reaching the Senate; that it be empowered to send for records of revenues from taxation collected by the federal, provincial and municipal governments in Canada and the incidence of this taxation in its effect upon different income groups, and records of expenditures by such governments, showing sources of income and expenditures of same under appropriate headings, together with estimates of gross national production, net national income and movement of the cost-of-living index, and their relation to such total expenditures, for the year 1939 and for the latest year for which the information is available, and such other matters as may be pertinent to the examination of the estimates, and to report upon the same.

That the said committee be empowered to send for persons, papers and records.

He said: Honourable senators, I need hardly remind the house that this resolution is similar to the one adopted last year, and I think the year before, to bring certain matters before the Finance Committee. I need only say with respect to it what I said before, that I am heartily in favour of this procedure, and that it will relieve me of considerable embarrassment when in due course I shall have to ask the house to adopt very large expenditures, because I am confident that in the meantime they will have been subjected to very careful scrutiny.

Hon. T. A. Crerar: Honourable senators, as the leader of the government forces in this house has explained, this resolution, which embodies the terms of reference to the Finance Committee for a somewhat comprehensive inquiry, is in the same phraseology as that of a year ago, except for the addition, after the word "Canada," of the following:

and the incidence of this taxation in its effect upon different income groups,

To that extent the committee is empowered to range over a wider field than a year ago.

It is unnecessary for me to say anything in support of the resolution, but if you will bear with me for a few moments, I will mention a few matters which I think are pertinent to the objective sought in this reference. The change proposed will enable the committee to inquire into the effect of existing taxation upon different income groups. It is probably true to say that the popular interest respecting taxation centres largely on the income tax. That is evidence of the virtue of this kind of direct taxation. But people often lose sight of taxes which they pay in other ways, and largely in the form of indirect taxation. For instance, I learned only yesterday that a particular tax of which I was not aware was being imposed, provincially, in two provinces of Canada.

We know pretty well, for it has been our job to find out, what taxes are imposed by the federal authority. What is suggested by this change in the resolution is that the committee may be able to report to the house on the different modes or kinds of taxes levied by provincial and municipal authorities, what is the effect of these particular taxes on the living of the individual who has a wife and two children and is earning, say, $3,000 a year, and how much he pays in taxes. A few income grous may be taken to illustrate this. It will not be easy to get a full analysis that will enable an accurate report to be made, but from what I have been able to learn it will be possible for the committee to reach an approximate estimate of the levies imposed upon particular income groups. So much for the explanation of the addition to the reference.

In this motion we refer to the committee the main estimates introduced in this house a few days ago by the leader of the government (Hon. Mr. Robertson). We have within our knowledge the total amount of estimates that parliament has voted in the past, and how much we will soon be asked to vote to complete the expenditures of last year. These total estimates, including the main estimates of last year, the supplementaries voted before the end of the last session, and the additional supplementaries required for the fiscal year just closing, reach very close to $4 billion. The main estimates this year total $4,335,000,000, and it is pretty safe to assume

that before the accounts of the next fiscal year are closed out, the total expenditures will run very close to $5 billion. If that were the total load the Canadian people were asked to carry, I would say it probably would be well within their means to carry it; but to that we must add the taxes levied by provincial governments and municipal organizations right across Canada. I venture to say that for the coming year the grand total of expenditures by all our governments will be in excess of $6 billion.

It is interesting to note, as was disclosed in our reports of the last two years, that the total of all expenditures in 1939 was $1 billion and 35 million. So we have travelled a long distance in the last fourteen years.

This brings up a question which the committee may find it worth while to inquire into. I refer to the ability of our people to carry this huge burden of taxation. I admit that there would not be much need for worry if we could accept the rather easy-going assumption that we shall have a steadily expanding economy; but we have enjoyed extraordinarily prosperous conditions since the end of the war, and we have no guarantee that these conditions will continue or be accelerated. Canada's economy is vulnerable in the sense that our abounding prosperity depends in large measure on our ability to find foreign markets for the great variety of products that we produce in this country. If it should happen that conditions in the rest of the world should operate against our finding these markets, then we can expect to see a decline in the value of our exports, accompanied by unemployment and all the difficulties which naturally will follow. We are conscious today of the economic difficulties that exist in international affairs because of the very stringent regulations which Great Britain and the so-called sterling areas have been obliged to impose against imports from the so-called dollar areas. And we must not forget that we are one of the great dollar areas.

If we cannot find markets for our products, what will be the effect on our economy? I submit that these are questions that we, as parliamentarians, should be giving some thought to. We have witnessed what has happened in recent weeks to our livestock industry which, in large measure, is dependent on the United States market. This difficulty has arisen because of the outbreak of the foot-and-mouth disease in Saskatchewan; and for the time being—and probably for several months to come—our market in the United States for livestock products is wholly cut off. What effect has this had on our livestock industry? Anyone who follows the livestock markets knows that since the outbreak of this disease the United States have imposed embargoes—and no one can criticize them for doing so—as a result of which the market value of our livestock on the hoof has declined somewhere around 8 cents a pound, and may fall still lower. I mention these facts to my colleagues because I think they illustrate, as I stated a little earlier, that our economy is vulnerable because to a large extent we are dependent on outside markets. If that is so, what is the path of wisdom for Canadian governing authorities to follow?

I am bound to say that I believe our committee produced a pretty good report last year. It received favourable notice in the press and supplied a great deal of useful information. But I have not been conscious so far of the fact that it has had any effect on any of our governing authorities anywhere. We have had an expansion of federal expenditures because of defence requirements. This cannot be avoided, but we have had an equally large expansion of spending by all the provinces whose budgets I have seen. I know, too, that some of our city councils are sitting up late at night trying to figure out how they can balance their budgets. The problem is one of considerable seriousness, and if our committee can help solve it, I think the labours of the committee will be worthwhile.

I trust my colleagues will forgive me for indulging in this somewhat desultory talk on the need of what is proposed by this resolution.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: I wonder if the honourable senator from Churchill (Hon. Mr. Crerar) would mind answering a question about the activities of this committee? He has proposed that the members of the Finance Committee look into the question of the incidence of taxation upon the various income tax groups. My question is this. Does he envisage the committee going a little further and looking into the question of taxation through customs and excise, which even though a less painful method of taking taxes than direct taxation is nevertheless creating a burden on the people of this country?

Hon. Mr. Crerar: In reply to my honourable friend I would point out that I qualified the statement I made on that particular aspect of the authority given in the resolution. I am not certain how far we can determine the extent of that burden. I think there is a good deal of data available which we could secure and analyse. Quite obviously what my honourable friend says about the customs and excise taxes is right. It is a subject that

has been much discussed in years gone by, but a tariff—whether you call it a tax or not —that raises the cost of a commodity imported into Canada and consequently raises the price to the Canadian consumer, has a vital bearing on his ability to use his income to good advantage. Whether the committee will wish to take up that aspect of the matter will be for the committee to say; at any rate it will have the opportunity to discuss the point.

The motion was agreed to.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, I wish to inform the house that according to advice I now have it will be necessary for the Senate to sit on Friday this week. I believe the Minister of Finance will be asking for interim supply that day and, if this house should see fit to pass the Supply Bill after it reaches us, I presume there will be a Royal Assent before we adjourn over the week-end.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill G-2, an Act for the relief of Florence Edith Holland Clarke.

Bill H-2, an Act for the relief of Olga Pretula McConnigal.

Bill I-2, an Act for the relief of Andre Roy.

Bill J-2, an Act for the relief of Libertia Vinivar McClusky Rutherford.

Bill K-2, an Act for the relief of Therese Michel Paquette.

Bill L-2, an Act for the relief of Alice Courey Salhany.

Bill M-2, an Act for the relief of Vivian Clement Mole.

Bill N-2, an Act for the relief of Olga Katchan Parisella.

Bill O-2, an Act for the relief of Frederick Ernest Marlow.

Bill P-2, an Act for the relief of Frederick James Perkins.

Bill Q-2, an Act for the relief of Roger Lessard.

Bill R-2, an Act for the relief of Phyllis Muriel Skelcher MacDonald.

Bill S-2, an Act for the relief of Audrey Jessie Elizabeth Kinnear Park.

Bill T-2, an Act for the relief of Alfred Ernest Farebrother.

Bill U-2, an Act for the relief of Herve Brunelle.

Bill V-2, an Act for the relief of Jean Frew Hawkins.

Bill W-2, an Act for the relief of Lucy Elliott Dolan.

Bill X-2, an Act for the relief of Phyllis Kaplan Holloway.

Bill Y-2, an Act for the relief of Marie Anna Brassard Bachand.

Bill Z-2, an Act for the relief of Sema Rubin Charles.

Bill A-3, an Act for the relief of George Louis Draper.

Bill B-3, an Act for the relief of William Young.

Bill C-3, an Act for the relief of Ruth Evelyn Sievewright Day.

Bill D-3, an Act for the relief of Mollie Balacan Pantel.

Bill E-3, an Act for the relief of George Edward Gumbley.

Bill F-3, an Act for the relief of Dorothy L. Grauer Shapiro.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move that they be read the third time now.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Arthur Marcotte: Honourable senators, my first words will be to congratulate the mover (Hon. Mr. Howden) and the seconder (Hon. Mr. Gouin) of the present resolution. Their addresses were excellent. Of course, like many others, I was surprised at the suggestion made by the mover as to birth control, and I would oppose it if it came up for consideration; but it took courage to express that opinion, and I like courageous men.

The seconder is and has always been my personal friend. I am never surprised by his fine addresses, although my opinion may differ from his on many matters. I shall refer to some parts of his speech later on.

The oration of Prime Minister Churchill in tribute to the late King George was a masterpiece of literature, and the virtues of our late king could not have been extolled in a better

way. No word of mine could add anything. But, honourable senators, I was deeply touched by the address of the Queen Mother. Speaking of the late King George, she said:

> No man had a deeper sense than he of duty and service, and no man was more full of compassion for his fellow men. He loved you all, every one of you, most truly.

And then, at the end of her address, were these words:

> I commend to you our dear daughter; give her your loyalty and devotion; in the great and lonely station to which she has been called she will need your protection and your love.

I know that everyone of us in this country will respond to that. When we swore allegiance to Queen Elizabeth II, we did so not only from a sense of duty, but with love in our hearts. And no wonder: we had just had the opportunity of becoming personally acquainted with that fairy princess who, to use old and famous words, "came, saw, and conquered." Yes, it will be with fervour in our souls that we shall pray:

> God save the Queen, her brilliant consort, her children and the other members of the Royal family.

Hon. Senators: Hear, hear.

Hon. Mr. Marcotte: In the departure of our Governor General, Lord Alexander, we lost—to our sorrow—one of the greatest representatives of the Crown that this country has ever had. He adorned Canada. His fame as a general will become higher and higher with the passing of years. History will preserve the souvenir of his famous advance from Egypt through North Africa, Sicily and Italy, when he turned near defeat into the greatest of victories. One has to go back to Alexander the Great to find a parallel. Praise for the other qualities he proved to have while with us has been given by others in so brilliant a way that I do not need to add to it. But there is another matter which appeals to me for a personal reason. Our former Governor General was a lover of sports and of youth, and he preached to our young men and women the merits of sportsmanship. As you know, I have always been a devotee of sports. In this connection there was a curious coincidence some three years ago. I had attended "games day" at my old college at Ste-Therese, and in the evening I addressed the students on the benefit of sports for the maintenance of both mental and physical health, and on the necessity of a better understanding of sportsmanship. The next morning I read in the Montreal *Gazette* that on the previous day His Excellency the Governor General had been at Shawbridge, a few miles from Ste. Therese, and there had given an address on the same subject to the young students spending their holidays on the farm devoted to their use at that point. The arguments he used were about the same as I had used. There was of course the difference that the speaker at Shawbridge spoke with greater authority. Nevertheless, I was proud of the coincidence, and the record of it is one of my cherished souvenirs.

History is in the making this year in Canada. The appointment, for the first time, of a Canadian as Governor General is a major step forward. There may be some difference of view among Canadians as to whether this is an opportune time for the change, but there is unanimous approval of the choice made, and every one of our citizens appreciates the qualities of His Excellency the new Governor General, who has proven himself to be a great and deserving Canadian.

We have heard several very good speeches on the present resolution, but I wish especially to thank the honourable senator from Ottawa (Hon. Mr. Lambert) for his timely citations about the part played by Sir Robert Borden in securing rights for Canada—rights for which he had to fight against English and American opposition. Fortunately, he had the help of two South Africans, Botha and Smuts, and finally won for us the right to be represented on the War Council, and later to sign the treaty of peace. The suggestions which he made as to the right of the dominions to appoint native-born governors general were only suggestions, but the rights he secured at the time were very important.

The article written in *Saturday Night* of March 8 by George Ferguson of the Montreal Star, contains further interesting facts about our march forward to the Balfour Declaration in 1926, and to the passage of the Statute of Westminster in 1931. To cover all the details of these events would necessitate the writing of a book, and at that it would not bring unanimity of appreciation. Writers may agree on facts but not on the philosophy which flows from them. The old Roman dictum *tot capita tot census* still stands.

Honourable senators, on January 25 last, the Prime Minister delivered to the press a most opportune statement, which deserves mention and appreciation. I have wondered why it had not been made before, for this would have cleared the atmosphere, which week by week and month by month was becoming more cloudy. The following paragraphs are taken from that statement:

> 2. The official name of Canada is Canada. Both the British North America Act of 1867 and the Westminster Statute of 1931 say so. In rooting the term, "Dominion of Canada," from official laws and documents, the government is simply trying to correct an error that has crept into official usage. But people who want to wipe out the term "Dominion" entirely, are going too far.

3. Whether her people like it or not—and some Canadians think it implied inferiority, he said—Canada is a dominion just as Ontario is a province and Ottawa a city. The Confederation law—the B.N.A. Act—specifically says the three provinces existing in 1867 "shall form one dominion under the name of Canada."

This statement, honourable senators, confirms my own opinion as given to you last December. But there is more. You will have noticed the aparté, "and some Canadians think it implied inferiority." What is the basis for that thought? Some friends referred to a certain statement which had been made in the other place, printed in the press and mentioned in radio addresses. I investigated and found what I was looking for. To avoid any errors I searched the records, and I have here the statement made, and which has remained unchallenged. The speaker said: "In another dictionary, Funk and Wagnall's, I find this definition"—that is of Dominion—"Obedience, servitude, slavery, subjection, subjugation, submission." Honourable senators, if this definition has not been challenged, I am challenging it now, and I am going to prove to you and to others at large that if the words are there—and they are—they mean just the opposite. They are the antonyms of the word "dominion" as contrasted with its synonyms. I have before me Funk and Wagnall's dictionary, from which I now quote:

Synonym discussion gives definition by comparison, each word better understood and better remembered because of its differentiation from others. One who understands the art of selection can choose promptly from any group the very word needed in a particular case, thus giving to a single sentence an instant definiteness and conclusiveness such as could not be attained by a paragraph of explanation.

The interchangeableness of words is also an important consideration. Frequent use of a single word in one sentence or paragraph gives the effect of repetitiousness, and hence wearisomeness, of thought. This is often instantly relieved by the substitution of an interchangeable word. To make such interchange discreetly and effectively, one must know the exact content of each of the words compared—knowledge which only the adequate study of synonyms can impart.

Antonyms, or the opposite meanings of words, are given freely in this work. They are not to be found in any other dictionary. Antonyms have the advantage of definition by contrast. The meaning of a word is often made clearer by the sharp statement of what it is not, as when we note that pure signifies "not adulterated or mixed," "not defiled, polluted, sullied, or tainted," "not immodest or indelicate."

A statement is often made more effective by vigorous antithesis. Nearly 5,000 antonyms are given.

Now we come to the definition of the word "dominion"; and I am going to refer to the book this time, because I do not want to be misquoted or misunderstood:

Dominion, . . . 2. *Law.* The right of absolute possession and use; ownership; power of disposal.

3. A country under a particular government: often in the plural; as, the Papal dominions . . . Syn.: authority, command, control, empire, government, jurisdiction, mastery, power, realm, rule—

Note the word "realm".

—sovereignty, supremacy, sway.—

Contrast:

Ant.: obedience, servitude, slavery, subjection, subjugation, submission.

Then you have the statements in the House of Commons and in the press. Those who made them had forgotten the three little letters a-n-t, which means antonym, contrast, antithesis, and they took the contrast to be the definition of the word.

Honourable senators smile; and they smiled in the other place; but so far no one has contradicted the statement. I am the first one to do it, and I do it gladly.

Some Hon. Senators: Hear, hear.

Hon. Mr. Marcotte: I repeat that the man who made the statement in the other place had forgotten the small initials a-n-t, which means antonym—contrast—and he read it as the definition of "dominion".

Thus we conclude that "dominion" does not mean obedience, does not mean servitude, does not mean slavery, subjection, subjugation, submission. Let us be charitable and say that it was a mistake. If not, one would have to use hard words.

You have noticed that among the synonyms is the word "realm". Now let us go back to the statement of the Prime Minister. I quote:

4. Since 1926 all self-governing countries in the commonwealth have been fully equal in status. All but one are dominions. The other, the United Kingdom, is a kingdom. The one word which embraces them all is realm. They are all realms of the King on an equal footing. The term realm came from a French word meaning kingdom. The Liberal government would have no objection to the term kingdom for Canada, but whether it would be appropriate to alter the laws to do so is a move which would have to get consideration.

Let us return to the speech of the seconder of the motion: what do we read?

Let us remark here that in the royal proclamation issued by the United Kingdom government, we find neither the word "dominion" nor "empire," and that the old style of "British Commonwealth" has been replaced by "Commonwealth." The most significant change consists in the expressions "Queen of this realm and other realms and territories, Head of the Commonwealth," which have been used for the first time in Great Britain. Thus, in the eyes of the United Kingdom, Canada has become a realm rather than a dominion. Thus has been fulfilled the wish of Sir John A. Macdonald, when he wanted our new-born federation to be called the "Kingdom of Canada."

Here again you have the word *realm*, and this word, so dear to the seconder of the resolution, so dear to the Prime Minister, is the exact synonym of the word "dominion".

You would think that anyone who knows the meaning of words would agree to the dictionary definition. But, no. "Realm" is right, but its synonym, "dominion" is not right. I quote from the same dictionary:

Realm—the dominions of a reigning sovereign: a region under the rule of a monarch especially a kingdom.

And at the end—always at the end you find something important—we find:

Syn: see dominion.

Yes, honourable senators, smile. I smile with you, my friends.

This aberration does confuse me, I admit. If it came from the average man, I could understand the inadvertence; but, coming from educated men, lawyers, law-makers, I cannot understand it.

Honourable senators, there were other matters that I would like to speak about, but there will be other occasions to cover international affairs and the necessity of continuing our preparations to avert war by proving that we are ready to fight aggression. I will then address you again.

I have hesitated a long while before deciding what to say by way of conclusion. It happened that about two years ago, in my own little village of Ponteix—not "my own city of Winnipeg", as my leader (Hon. Mr. Haig) would say—I attended a banquet, and suddenly I was called upon to answer the toast, "La santé du Canada"—the health of Canada. I was not prepared. But, fortunately for me, a young man present had been singing one of our French Canadian songs. I am going to repeat the words. Don't be alarmed, I won't sing them; I won't even translate them, because I want to preserve them in their simplicity and naivety. I understand that the poetry was written by one of the Fathers of our Confederation:

Comme le dit un vieil adage
Rien n'est si beau que son pays
Et de le chanter c'est l'usage
Le mien je chante à mes amis.
L'êtranger voit avec envie
Du St. Laurent le majestueux cours
A son aspect le canadien s'ecrie:

And what an aspect it presents to the strangers who come to our doors! They see the immensity of Canada, this country of ours which has everything for which they can ask; this great country, extending *a mare usque ad marem;* a country in which God has placed everything,—riches without end, forests, fisheries, timber, mines, lakes so wide that in other countries they would be called seas.

Hon. Mr. Haig: Oceans.

Hon. Mr. Marcotte: Mines with gold, iron, aluminum, radium, almost everything; a country with a small population, but a population which springs from the two greatest of races—the English and the French. The people of these countries hated each other for centuries, and yet their descendants were able to join hands in the New World and make Canada one of the greatest countries on the face of the earth. During the past two wars Canada sacrificed hundreds of thousands of its youth, and spent millions of dollars in fighting these wars. We did not do this to gain territory, but to give the world an example of what a country like ours can do to help save Christianity and liberty against slavery. Winston Churchill, that great man of letters, once remarked that Canada's war effort was stupendous.

Honourable senators, Sir Wilfrid Laurier prophesied that the twentieth century belonged to Canada, and that is why, with pride in my heart I end these remarks by quoting the last phrase of that famous French song.

O Canada, mon pays, mes amours!

Some Hon. Senators: Hear, hear.

Hon. J. J. Hayes Doone: As I listen from day to day to the debates in this chamber, and read the proceedings of other assemblies, I am not insensible to the faith and fears and political intensity expressed in the free voice of democracy.

After many years of parliamentary experience I am still amazed that no shivering individual can see more fearsome things in prospect than a critical member in opposition, and no dutiful Nelson less of administrative error than an ardent supporter of government; but with all its limitations I am constrained to admit that the system initiated in the little meadow of Runnymede has stood the test of time as the directive force of our parliamentary institutions.

To the latter are entrusted the right of supply and those other privileges written into the charter of our liberties. That such privileges came to us in less perfect form, wrested as they were from the reluctant hands of princes, renders them in protective qualities no less valuable and precious. They are particularly valuable in these trying days of high emotional tension, when the current of passing events strains the very heart-strings of our national life. In opening my remarks I pay my tribute to them.

In launching the current debate on its controversial course, the mover of the Address in reply, with his usual clarity and candour and courtesy, contributed nobly to

accepted traditions. The seconder, in the forensic form of which he is master, presented a fine portrayal of our Canadian way of life and Canada's progress as a nation. To each I offer the homage of my sincere congratulations. With respect to my charming young friend, the honourable senator from Ponteix (Hon. Mr. Marcotte), who has just spoken, and the other speakers who have preceded me, I bow in submission to their superior thought and eloquence.

In moving forward to a self-imposed but exacting duty, I might first suggest that it has come to us within our recent memory, with all the elements of poignant sorrow, that each and all of us born of mortal clay are ordained to die. In the passing of a great monarch, if no other evidence was available, we have arresting proof of life's immutable law. In the all-consuming grief, however, of his united people, we have perhaps a more salutary lesson: that not in power nor in wealth lies the estimation of men, but rather that the higher attributes of heart and mind are the measures of human respect, as in truth they are criteria of Infinite approval. As regards our late lamented sovereign, I believe his life was righteous: that so will be the verdict of time, and this will be his noble epitaph. What a consolation indeed this must have been to his beloved consort and the bereaved members of his family! What an inspiration to us who will forever hold his memory green! What an arousing incentive to all who are charged with the higher responsibilities of administrative power and justice! To his distinguished daughter, our reigning sovereign, may the Infinite Power grant peace and tranquility of mind, length of years in happiness and prosperity, sovereignty over a united and contented people bound by ties of blood and of justice and humanity, wisdom in her counsellors, light in her councils and a co-operative spirit in all governing bodies in her wide dominons, that in deeds as in words we may find expression of that wish dear to every patriotic heart, God Save the Queen!

Some Hon. Senators: Hear, hear.

Hon. Mr. Doone: Since our recent recess, moreover, there has come to us the sad intelligence that death has visited our chamber and has placed its democratic hand upon two of our number. It is a sad thing indeed to contemplate that those who walked among us, whose friendship was ours and whose company we enjoyed, should be forever still. That they most creditably filled high positions of civic responsibility is a matter of pleasant memory, but it is not for this that they will be chiefly mourned. They will be the more particularly remembered as kindly souls, each casting its ray of sunshine. They walked through life with a breath of thought and vision, conscious of the fact that friendship is one of the world's greatest assets. We shall miss them greatly.

The sombre aspects of our national life have lessened only in degree. The shadows have moved on the stage, but remain quite as oppressive and ominous. As stated by many speakers, we live in stirring times of world-engaging difficulties and problems. Certainly those engaged today in the court of human relations are faced with tremendous tasks—the formidable tasks of planning a world of security which will offer to our people and the peoples of all lands the opportunities, the services and the happiness to which their sacrifices have entitled them. Already some sense of futility, or a lack of confidence in organized nations to cope with the situation, has been expressed in this chamber. Admittedly, the position remains obscure. The question of when peace may emerge from the catacombs and take on its normal aspects and functions is any man's guess, based upon no accepted factors of reasoning. Whether we are facing a greater Goliath beyond the pebble of David, or whether the wearing process of time and protracted struggle are sapping our energies and resolution, are serious and searching inquiries. Yesterday we were talking of rehabilitation; today we wonder whether the fabric of our social order lacks defensive qualities. Even men of faith and orthodox thinking are wondering whether the Christian way of life is at the crossroads, and whether civilization as we know it will survive. Certainly, the devastation created by the mystics of a new order is beyond any previous attempts of man to mark the earth with ruin. With the stubbornness of disease to persist, and with widespread visitation and recurrence, it has properties to challenge all our protective resources.

We realize that man in his borrowed power has done wonderful things. We hope he may demonstrate his ability to solve problems of present magnitude. We feel that under proper guidance he will do so. To those who believe Christ still walks the waves of Galilee, history has given many object lessons from which we may draw morals. Hitler and Mussolini were the masters of their own destruction; Napoleon found his empire on Helena's Isle, and the head of all the Germans awoke from dreams of world dominion to sanctuary in a Dutch chateau. In ages past, Charles Martel was raised at Tours, Attila was stopped with a mitre and a cross at the gates of Rome, and in many instances in world history the fallacy of power and of the

largest battalions has been brought to man's finite mind in inevitable intervention. When I have thoughts which lead to doubt and misgivings, I like to remember those words of Lincoln, delivered when leaving for the last time his neighbours at Springfield:

> Believing in Him who can go with me and remain with you and be everywhere for good, we may confidently expect that all will yet be well.

They are a safe guide in any age and in any circumstances.

In these days of tension, Great Britain is receiving her share of world notice. Age-old differences are coming to the surface, and customs long since out-moded are being recast. In the latter connection letters and communications from very worthy persons and organizations have been received. They fear the severing of British links and the violation of Canadian traditions. I believe they are unduly disturbed. On this point, may I state that three years ago I had the pleasure and privilege of attending a conference in London? There were present delegates from thirty-seven different countries formerly regarded as component parts of the British Empire and now regarded as parts of the commonwealth. I believe the conference was successful, but I also believe the success that attended it was due to social contacts and the expressions of personal opinions rather than to any official debates and pronouncements. From the latter we were made conscious of several major constitutional changes: restricted citizenship, the independence of Eire, of India and of Ceylon, the attitude of South Africa and resentment of exploitation in the West Indies. The change-over in name from the Empire Parliamentary Association to the Commonwealth Parliamentary Conference holds its own significance. Politely but pointedly it was stated in Empire terms that the ascendancy of the white race was no longer to be suffered —that if the Empire was not black, at least it was coloured. By reference to geography and to population statistics, it will be determined that this statement was made with factual accuracy. There was some evidence of strain, but of a fraternal character expressed in family frankness.

Personally I labour under no delusions. I do not believe in the divinity of kings, not even of British kings, after reading their history, nor in the sanctity of princes. Although the Britain of history may be glamorous, nevertheless she had her violent and unhallowed past. In this regard I have no national bias. I accept truth at its pertinent value. I believe British purges were quite as final as far as individual victims were concerned as those of other countries. I make no excuses to offset the evidence of history. The heads that hung in Temple Bar were quite unattractive and gory. These are matters on which the harps of minstrels have broken, and many other traditions are best left in the limbo of forgotten memories. The fact that it was a sufficient defence to plead in an Irish court, under British jurisdiction, that the victim was Irish, is one that I could personally dispense with. There may still be those who claim it was a rule of law which had much to recommend it, but I plead special interest. It is only one of the aspects of a less humane and less enlightened age which are relics of the past, but relics to which we pay no reverence. I am not a believer in traditions for the purpose of preserving traditions. I believe society has a greater and more sacred mission. At the same time I do not believe in serverance of British connections, and could find no one in the conference who entertained any such purpose.

Even the independent states of Eire, India and Ceylon believed most firmly in union on a co-operative basis. This was an agreed and accepted factor: there was still faith in instructed leadership. All believed that Britain had something to offer in world colonization and outlook not vouchsafed to other nations, that she played her mighty part in world-building commerce and placed world prosperity and individual living standards on new levels; that in her mature years at least, her armies and navies were stabilizing influences in the promotion of world order and security. Confirmed in the latter opinion, while they regarded many traditions as decadent, they could not view the disintegration of the Empire with complacency.

In this country also there are no separatist tendencies. Our sovereign notion, as aptly and generally expressed, is not to destroy but to restore to the empire its old-time energy and vitality, to enable it to play the part it once played and can again play in international life. With all its past faults and all its present imperfections, we prefer to say of Britain, as Emerson said in 1847, just over 100 years ago:

> I see her not dispirited, not weak, but well remembering that she has seen dark days before. I see her in her old age, not decrepit but young, and still daring to believe in her power of endurance and expansion.

Honourable senators, we are severing no links of empire. We are forging new ones welded in courage and vigour, in unity of understanding, in efforts of mutual forbearance and helpfulness. Should we do this effectively we can be assured that through co-operative efforts and armed with a common purpose, our collective peoples will meet the challenge of our time as the British people

in the hour of Britain's glory, and the Canadian people in their rugged and pioneer life, met the issues of the past.

I notice by reference to the Speech from the Throne that a war veterans act is to be introduced, designed to show a more generous recognition of those who served in the armed forces. In commenting on such a well deserved and happy announcement, I would pay a tribute to Canada's sons in the several wars which have come to us in such tragic sequence. I think you will all agree that their valour on many a hard fought field has set upon their time the seal of immortality. They met the challenge as we knew they would, and in every phase of combat conducted themselves according to the best traditions of the past. As long as the human record is kept, their achievements, their devotion to duty and their sacrifices will live. They gave to freedom all they had. May this be to us an example in the present and a stimulation in the world to be. Many died that their nation's honour might survive and that to us might be given the privilege of living in dignity and security. To these we can pay no earthly due, but to their dependents, and to the sacrifices which they too have made, may this nation pay the tribute of a lasting and generous memory.

I am happy to see a move in this direction, and I trust the various boards charged with the responsibility of administration will observe the spirit of the Act and move forward with consideration, with sympathy and with expedition. Absence of the last mentioned feature is one of the post incidents of war which in the past has been regarded as an unhappy sequel to man's loyalty and devotion. With over thirty years' experience as a member of the Canadian Legion, whose duty it has been to press veterans' claims for recognition, I can truthfully affirm that pensions and allowance boards have acted with unfailing courtesy. They have invariably advised of sympathetic attention. But when the victim has seen the thumb turned down, he has failed to observe any overflow of official kindness. There is a saying in the Isle of Man that "If you give a pail of milk don't skim it." The experience I refer to has demonstrated that few Manxmen are members of the various boards of control, and has indicated also that the relative boards can be relied upon as firm custodians of the public purse. The responsibility perhaps is more in routine and procedure.

Notwithstanding the lessons of the past, many members of the forces engaged in World War II were discharged without a medical examination. In their anxiety to return to civil life, veterans protested their physical fitness. This feature is seized upon and referred to as a chargeable responsibility. Deficiency in documentation is a further ground upon which the veteran is presumed to suffer prejudice. In fact there is a rumour given a wide measure of credence that service records of many veterans, especially those who served in the air arm of the Royal Air Force, are incomplete. Ironically enough, the men alleged to be so affected are Canada's first enlistments, the so-called few to whom so many owe so much—words of lofty expression meaning so little to so many of them. They belong to the air force personnel who fought in the Battle of Britain, in the defence of Malta and in the earlier desert campaign.

I have in mind many cases, both in the past and the present, which provoke comment. One was not finalized for at least ten years. In the interim the serviceman and his family suffered many privations. Another had a divorce and domicile feature. The veteran, crippled in service, was reduced to seeking municipal aid. A recent case concerns a flight-lieutenant who enlisted in 1939 and proceeded overseas in December of the same year with Canada's first contingent. He was assigned to the Bomber Command of the Royal Air Force. As a consequence he served in the Battle of Britain, the defence of Malta and the Egyptian campaign. Subsequently he was selected for the Commonwealth Training Plan, and later returned to active participation in raids and reconnaissance flights over Norway and Germany. In all he had 109 operational flights. Progressively promoted to his present rank, he was recommended for the Distinguished Flying Cross, holds the Maltese Cross, the Egyptian Star, the Golden Wings with two bars, and other decorations incidental to his protracted service. He served until the end of hostilities. During the desert campaign he had two crashes. In neither case was medical assistance promptly available. In one instance it was a matter of days before the occupants of the plane got back to their base. Since demobilization this man had suffered in health, and his weight had gone from 198 to 129 pounds. Inasmuch as he was six foot two and a half inches in stature his appearance was ghastly. Medical officers attributed his illness to the crashes mentioned. The Pensions Board however, witheld assistance, advising that in respect to the crashes "little of note was cited in his documents". Since then, I believe, by reference to the airmen's log, authenticated by his commanding officer and verification obtained from the British Air Ministry, this feature has been cleared. But why should such a condition exist? In point of fact, is there any apprehension that a general insufficiency exists in the records of such veterans, and to what extent

will such a deficiency operate against them in prosecuting their claims under the Pension Act? This is a matter which calls for a convincing explanation.

It is not, one must in all fairness concede, the fault of the Pensions Board. The fault lies in errors of past omission which render present delays imperative and bring to the veteran and his dependents unnecessary and ungracious hardships and privations. I hope that such conditions will be rectified. In the meantime these features cause one to reflect that pension laws have their special aspects and limitations. The department involved, and rightly so as expressing the wish of the Canadian people, is to be commended for remedial legislation. The various boards, in rigid and mechanical efficiency, must use every conceivable device to guard the public purse against exploitation; but from the veteran's point of view the picking of daisyheads in such an indeterminate manner is regarded as the ungrateful climax to his service and devotion.

In justice to everyone, the machinery of investigation needs streamlining in conformity with present day practices, and in justice to the veterans in their problems of present day living.

In paving the way for a sympathetic approach to the St. Lawrence Seaway project, the honourable leader of the opposition (Hon. Mr. Haig), expressed some concern for the Maritime Provinces. While his comments were suggested by the broad motive of national expansion, I give the honourable leader credit for sincerity of interest in Eastern problems. The honourable senator from Winnipeg is one of those genial souls who believes in the Golden Rule as a working basis in human relations. The concern expressed, however, is one to which the Maritimes have long been a stranger. It is a concern which many believe was forgotten immediately subsequent to the Act of Confederation. This is the more reprehensible as Maritime requirements, in comparison to major Canadian demands, are limited in scope and monetary involvement. The average Maritime citizen asks very little of life; not riches, nor power, nor acclaim, nor the demand that the sweat should be wiped from his brow. He is prepared to engage in honest toil. All he asks are the ordinary things: a home and plot of land that he may call his own, his children in laughter and at play, security from fear and want, freedom to practise the faith of his fathers, and comparable advantages for his children in matters of health and education. He asks just the simple ordinary things which go to make up everyday life, but without which the burden of life is unendurable.

That he does not receive the same consideration as citizens in other areas of Canada has received demonstration on many occasions. It was so stated in the survey of Canadian life by the Rowell-Sirois Commission, and made a matter of official record. If any other evidence were wanting, it may be found in the assistance accorded and subsidies paid to the basic industries of Central and Western Canada as compared to the assistance accorded to the industries of the Maritime Provinces.

In the latter provinces fishing is of paramount importance, comparable in some degree at least to agriculture in other sections of Canada. In the past it has been a neglected industry, receiving scant acknowledgment by successive governments. Tacked on to another department as an insignificant appendage, it was sorrowfully neglected. Finally raised to the dignity of a special department, it was manned by individuals whose knowledge of the fisheries was negligible. It was a ministry that went begging. If any province or sectional interest was to be recognized, it was the trial-horse of cabinet appointment. When a Minister of Fisheries displayed ability he was transferred or elevated to a position officially regarded as of greater importance. Its purpose and functions were more punitive than productive. A multiplicity of laws were enacted giving to the minister of the day arbitrary powers over matters concerning which his training and environment were incompetent to advise and instruct him. As a result, until more recent appointees of high calibre, our fisheries were on a low level of government consideration. The result is the discriminatory aspects so ably reported in another place by representatives of Maritime constituencies.

Mention was made of the assistance given to agriculture as opposed to the inattention accorded to the fisheries. The prompt action in respect to the outbreak of foot and mouth disease, a truly national calamity, is in marked contrast to the action of the government of the day when sanctions against Italy destroyed overnight the north-shore fisheries of New Brunswick. The county of Gloucester suffered in particular. Boats rotted at the wharves. The only means of livelihood was destroyed. Consequent malnutrition had its after-effects in an outbreak of tuberculosis on the highest percentage basis in Canada. The credit of the county was endangered. While relief loans to Saskatchewan in millions were forgiven by the government, this

county and the province of New Brunswick had to pay on the barrel-head for every cent of their portion of relief expenditure. This left its impact on New Brunswick's economy for the greater part of two decades. It is still felt, and acutely felt, particularly in the areas immediately affected. Its impact will wear thin only with the passage of time and continued belt-tightening in localities which leave little play for such a reducing process.

Recently, in the province of Nova Scotia, losses in the fishing industry have been heavy; lobster traps alone to the value of three-quarters of a million dollars have been destroyed. Wharves have been damaged and the plants erected upon them, with all their equipment, have been carried out to the sea. Boats have been broken up and at least ten lives have been lost. This is the fisherman's lot, a common lot of yearly occurrence, with which I am fully familiar.

As I stated in a previous debate, I was born where the ocean spray watered our door-yard. I have seen the seas in their intemperate moments. They may have their glamour for poetic minds, but they have their trials and hardships in the prosaic tasks of fishing. Many of my friends and neighbours have gone down to the sea in ships and have not returned. They went on to give lasting evidence that theirs was a hazardous calling, one which has provoked little by way of sympathetic attention. Those engaged in the calling are apparently supposed to take everything in their stride, while watching the more favoured and more fortunate elements of the social order receiving benefits which in all conscience and in all justice they should share on a basis of equality. The calamities of the Maritimes have always been casually passed along as acts of God, over which governments have no responsibility; while, apparently, from the official point of view Divinity does not operate in other sectors of Canada.

Attention in another place has been focused on these strained and unequal qualities of mercy. The case was so well and effectively covered as to require no elaboration. If the payments reported and the subsidies accorded were necessary to the promotion of industry and the safeguarding of Canada's way of life, I firmly support them. One or two were of special interest: the $500,000 paid annually for aluminum pails, to make the maple syrup taste better, was a toothsome item which might call for a special explanation; but in the main and at the moment I am not sufficiently informed to either commend or condemn. Neither am I asking that payments should be made in the Maritime Provinces for every business loss or speculative venture, but I do contend that loans should be provided for the immediate re-establishment of victims of recent marine disasters; and that for a long range view there should be inaugurated some form of calamity insurance on a co-operative basis, administered by an independent board or commission under government auspices, which would bring some measure of relief in relation to these recurring problems in the fishing industry.

Another feature which I would stress would be adequate facilities, not only in the port of Saint John, but in the harbours from which our fishermen operate and where they must find a haven for their boats and equipment, and for the protection of life. A definite research plan should also be initiated and zealously pursued against the marine borer, which for so long a period has been the destructive factor in the building program of individuals and governments. As far as protective facilities are concerned, I can see within my immediate vision in the locality in which I live, many projects which require prompt attention. These, I know, have been placed in detail before the appropriate authorities by the member for Charlotte. If I were called upon for special advice as to the ways and means of providing the requisite funds and effecting a lasting improvement in the industry concerned, I would make the following recommendations: Ease up a little in the payment of subsidies—many people believe this is a drama which is over-acted; divert a small percentage of the sums to be expended on the St. Lawrence Seaway; send the more favoured recipients of government bounty to Florida, if you must, but give our fishermen the facilities to fish and sail, and they themselves will tame the seas and work out their own salvation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Doone: But do not permit the present sectional disparity to be a permanent feature in Canadian life. How it has continued to exist under successive governments in the face of known facts and repeated representations staggers the imagination and is beyond the range of human comprehension. I join with Maritime members in protesting its continuance. In this country we have ties of common history, of political outlook and geography; as provinces we should not be divided into separate units. For the ultimate good there should be cohesion of purpose and economic interest to ensure our permanence as a nation.

May I say a word about Canada's most discussed and astounding surplus. It has long been considered a maxim of government financing that one did not have to explain a surplus. In the present case, apparently,

the exception is being utilized to prove the rule. If any criticism of the finance minister was well directed it would be to the effect that he listened too assiduously to the advice of his political opponents and guarded against the recession which they have consistently and persistently prophesied.

Some Hon. Senators: Hear, hear.

Hon. Mr. Doone: Whatever the cause, it must be admitted that the surplus reached an embarrassing total and, contrary to accepted ideas, is calling for extensive explanations.

One comforting thought is that any recurrence can be avoided. As financial experts and statisticians contend that the current year will carry elements of national production equal to those of last year, no doubt the estimate of national revenue in the present fiscal period can be forecast on a more realistic basis.

Personally, I am not too concerned over charges of unwarranted taxation, inasmuch as defence, and effective defence, are first considerations. Deprived of many things normally regarded as essential to our way of life, Canada would survive and work out her high and expected destiny. Without defence the cherished liberties purchased at such colossal cost would have no security of tenure, and in our every-day thought and life we would suffer the nervous twinges of national apprehension. There is only one point on which I would take issue with Canada's taxation program. I believe the family is too highly assessed. As far back as thirty years ago the exemption in respect of a child was $400. Today this is a comparatively insignificant amount in view of rising prices and today's costs of living. No parent today can adequately provide for his children and give them the advantages they should enjoy under present living costs, imposed upon the taxation structure. The very family life of Canada is in jeopardy. This is an impressive feature, and constitutes a serious situation which should receive immediate and sympathetic consideration at cabinet level. I submit that exemptions in respect of children should be increased, and I affirm without the slightest fear of contradiction that Canada's taxation base is sufficiently broad to make a substantial adjustment in the interests of the Canadian family without impairing the economy of the country.

This brings me, through association of ideas, to a comment by the mover of the Address in reply. The Senator from St. Boniface (Hon. Mr. Howden) ventured on controversial ground. In doing so he expressed fear of reprisals. In taking up the challenge I do not wish in any way to offend the sensibilities of one whom I regard as exemplifying in his daily life the finest measures of courtesy and Christian charity. A sense of duty compels me, though, to place an objection on the record. My opinion is that birth control is a dangerous subject over which to throw the mantle of approval.

Some Hon. Senators: Hear, hear.

Hon. Mr. Doone: The age-old conflict of careers versus cradles, of self-interest versus family life, has brought many heart rendings, and, if statistics are correct, will bring more to human society. Birth control is a concept opposed to social science and religion, both of which agree that the most important individual in the world today is the child. It is the immediate cause of the depletion of English-speaking races, all of whom are gradually and progressively moving to extinction. In a survey made in 1947 it was shown that there were 2,500,000 families in Canada. The average family had 1·7 children. Approximately 800,000, or 31·4 per cent of Canada's families, had no child. A further 600,000, or 23·4 per cent, had only one child. This is startling information, more especially as history demonstrates that with families of less than four children communities become exhausted in two hundred years, and their lands revert to wilderness. With one-third of our family population childless, and 54·8 per cent having none or only one child, it might occur to thinking minds that one does not have far to travel to locate the No. 1 killer of Canadian growth. With French Canada removed from the basis of reckoning, one shudders to contemplate the resultant percentages and the more decided evidence of self-destruction of English-speaking members of our social order. The problem perhaps is deeper than its visible and more apparent incidence.

Two years ago I placed certain figures on the record. Today I repeat them as relevant data. A press report states that a Gallup poll was conducted in Great Britain and in Canada in 1947 as to what constituted happiness. The result of that poll was both enlightening and astounding. It is submitted in schedule form as follows:

	Great Britain per cent	Canada per cent
Family life	33	19
Sufficient money	13	38
Religion	2	1

If this expression of opinions is truly representative and the figures obtained indicate our concept of Canadian life, we are coming to the end of the trail knowingly, ruthlessly and relentlessly. We know this

thinking is wrong. All our teaching is opposed to such a social disorder. It is time, therefore, for soul searching on a national scale. We must make up our minds whether the sacred word is to be relegated to the dust of attic storage or retain the prominent position it once held in Canada's homes as a spiritual guide and mentor of men. As members of a continuing society we know that such formulae are in error. As members of a Christian nation we know that life is not an end in itself, to be lived as long as possible and by the easiest possible means. Such a measure of life's purpose is a denial and negation of all those things which history has taught us to regard as the finest things in life—man's devotion to duty, his patriotism, his constant fight for justice and liberty, his personal struggles for moral nobility. We know rather that as mortals we move forward individually to our common and inevitable end, that we can justify our existence only by acceptance of life's serious responsibilities. As Christians we know that this can only be accomplished by the spiritual outlook which may be implanted in the minds of our children.

This brings me in natural sequence to education. Catering as it does to the heirs of all the ages, it is one of the most important functions of society. To our schools is entrusted the training of youth, and this training must of necessity be the foundation upon which the future of this country will rest. That society is becoming more conscious-minded of this duty may be gauged from the painstaking and effective manner in which efforts in various provincial jurisdictions are being applied. Changes in the educational system undreamed of in years past have been effected. Living standards of school rooms and educational standards alike have received attention. The important part which the teachers play in the moulding of young lives and the influence which they exert upon future events and happenings, have to some degree been recognized. Still sub-normal, their vocation has been placed upon a higher plane, more in keeping with their position in the social system. Aids to vocational training are important stimuli to extension in this phase. Cultural training now forms an essential part of school life, and its value in building a sound citizenry is being weighed in a proper measure. Correspondence schools, adult education, visual and auditory aids, are modern adjuncts of an educational program all of which play their special role in the promotion of a better concept of society.

There are, however, further adjustments. I will cite them briefly. Provision for a larger elevation in respect of teachers is an essential item of such refinements. There is also a growing conviction that the moral structure needs correction through religious instruction in the schools. In our country, with its powers of compromise, surely some effective plan can be worked out for this important feature. All that is required for this purpose is a spirit of fairness, of amity, and co-operation. On this point it is useful to remind ourselves that no country in this modern world can safely protest its aims of progress unless and until its foundations on both secular and non-secular lines are securely laid.

The third requisite is more funds, to pursue the purposes already initiated along modern and realistic lines. There is a definite gap in this respect, particularly in municipal financing, which in large measure bears the costs of the educational system. The surrender or rental of traditional taxing fields by the provinces to the dominion left many municipalities with a low taxation base from which to supply the services demanded. This is a matter which calls for earnest and careful consideration. The collective determination of all governments should direct the educational policy of this country to the end and purpose that no sub-marginal areas should endanger or lower the average of educational benefits and facilities. In justice to and having respect to the factors mentioned, I am firmly in support of dominion government aid on a per capita pupil basis.

In drawing to a close, it is a pleasure to say that on a dominion level we have much for which we should be duly thankful. It has been stated, and truthfully stated, that never in all history has there been such an expansion of economic power and prosperity as this country has recently achieved. The gross national product has reached prodigious figures. In the past year it attained its highest point in Canadian history: the enormous sum of $21·5 billion, or $1,530 per capita. Notwithstanding high taxation and high commodity costs, living standards have been maintained at their finest level. It is true that the effort to pay and live is staggering in its many phases, but as long as we as a nation walk in diamond dust, we must expect this unwelcome visitor as a constant and irritable companion. Until society in all its branches gets down to meaner causeways and more solid foundations, we must also expect the heavy hand of taxation. The eye that can see growing personal and business costs and advancing trends in municipal requirements, cannot be suddenly blind to increasing demands on a government or national level. In addition, as previously stated, the matter of defence poses problems which must be met

not only with national courage and resolution, but with the finances necessary for its proper and effective prosecution.

It is well though, I believe, to strike a sobering note in relation to our easy and matter-of-course mode of living. Thinking persons must realize that to some degree, at least, inflationary prices and war commitments during the past years have given us an artificial prosperity. It remains to be seen whether our economy as presently founded has the hard core of endurance. Present high prices and quotations with regard to futures must concern the minds of those who place their money in manufactured goods without any assurance of stability in the maintenance of the selling structure. High priced inventories, the hidden or delayed depression and diversions in our foreign trade are factors which only the unwary may ignore. With defence expenditures an undoubted stimulant to internal trade—for the present at least there should be no downward trend in national spending—the delayed depression may never appear. In the meantime good workmanship, good values and production should constitute immediate and effective replies to high prices and the high cost of living. For the future the dominant aim should be the re-establishment on a free enterprise basis of our foreign trade.

Even with these provisions we are not at the end of the highway of trial. The planning of a post-war world will bring formidable issues—demobilization, repatriation and re-establishment of our armed forces, occupational change-over, the absorption in civil life of women engaged in war services, nomadic tendencies of our modern industrial economy, and other factors multitudinous in number presented in civic, national and international relations. It is not a matter of easy and simple endeavour. It will require clear heads and careful thinking, strong minds, stout hearts and willing hands. To its accomplishment, that we may warm our hearts beside the fires of life, that there may be no shadowed paths along which failures pass, must be brought all the sturdy virtues, the bravery and grim determination of our people.

In these respects may I offer my sincere and earnest wishes that this country of ours will respond as it has in the past to the demands which time and events may make upon it. May I express the further hope that in whatever sphere of activity we are placed, we will each and all persevere; that Providence may accord to us in our capacity as citizens, to those charged with the responsibility of conducting our Canadian affairs, and to those on a higher level who are entrusted with the weal and woe of nations, the untamed spirit and unquenchable ardour that in the Empire's darkest hour and in the face of all but insurmountable odds caused its leader to exclaim: "Whatever happens at Dunkerque, we shall fight on."

Some Hon. Senators: Hear, hear.

Hon. Mr. Davis: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Davis was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 27, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill P, an Act to incorporate the Perth Mutual Fire Insurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill P, an Act to incorporate the Perth Mutual Fire Insurance Company, have in obedience to the order of reference of March 19, 1952, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: With leave, tomorrow.

THE ESTIMATES

COMMITTEE ON FINANCE—PRINTING OF PROCEEDINGS

Hon. Mr. Crerar presented the second report of the Standing Committee on Finance.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Finance beg leave to make their second report, as follows:

In connection with the order of reference of March 26, 1952, directing the committee to examine the expenditures proposed by the Estimates laid before parliament for the fiscal year ending March 31, 1953, etc., the committee recommend that it be authorized to print 800 copies in English and 250 copies in French of its day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

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

Hon. Mr. Crerar: With leave of the Senate, I move that the report be concurred in now.

The motion was agreed to.

FINANCE COMMITTEE

INCREASE IN QUORUM

Hon. Mr. Crerar presented the third report of committee.

The report was read by the Clerk Assistant as follows:

Your Committee recommend that their quorum be increased from seven to nine members.

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

Hon. Mr. Crerar: Now.

The motion was agreed to, and the report was concurred in.

EXPORT AND IMPORT PERMITS BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the committee on Bill C, an Act to amend the Export and Import Permits Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred Bill C, an Act to amend the Export and Import Permits Act, have in obedience to the order of reference of March 19, 1952, examined the said bill and now beg leave to report the same without any amendment.

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

Hon. Mr. Hayden: Next sitting.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill I-3, an Act for the relief of Sylvia Grace Martin Corbett.

Bill J-3, an Act for the relief of Sarah Sybil Aaron Daugaard.

Bill K-3, an Act for the relief of Kenneth Ashby Lambe.

Bill L-3, an Act for the relief of Lillian Ethlyn Crouse McManus.

Bill M-3, an Act for the relief of Marie Leopoldine Gabrielle Asselin Adler.

Bill N-3, an Act for the relief of Joseph Jacques Ernest Demers.

Bill O-3, an Act for the relief of Madeleine Therrien Ferron.

Bill P-3, an Act for the relief of Catherine Victoria Howie Burnett Worthington.

Bill Q-3, an Act for the relief of Hazel Rawlings Passnick.

Bill R-3, an Act for the relief of Douglas Paul Wilbur.

Bill S-3, an Act for the relief of Arnold Ernest Kirby.

Bill T-3, an Act for the relief of Annie Shaw Young Goudie Corcoran.

Bill U-3, an Act for the relief of Frederick Charles Butler.

Bill V-3, an Act for the relief of Sam Feldstein.

Bill W-3, an Act for the relief of Thomas Richard Markey.

Bill X-3, an Act for the relief of Vera Jane Carroll Ross.

Bill Y-3, an Act for the relief of Ruth van der Walde Crowley.

Bill Z-3, an Act for the relief of Mabel (Karianoron) Stacey Delorimier.

Bill A-4, an Act for the relief of Ruth Friefeld Ragoza.

Bill B-4, an Act for the relief of Mary Duncan Barlow.

Bill C-4, an Act for the relief of Cyril Frederick Hembling.

Bill D-4, an Act for the relief of Denise Gelinas Gilmour.

Bill E-4, an Act for the relief of Gordon Eugene White.

Bill F-4, an Act for the relief of Silas Maxwell Barrow.

The bills were read the first time.

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

Hon. Mr. Aseltine: With leave of the Senate, tomorrow.

STANDING COMMITTEES

ADDITIONS TO PERSONNEL

Hon. A. L. Beaubien, with leave of the Senate, moved:

That the names of the honourable senators Bouffard, Hayden and Buchanan be added to the list of senators serving on the Standing Committee on Finance;

That the name of the Honourable Senator Bouffard be added to the list of senators serving on the Standing Committee on Transport and Communications;

That the name of the Honourable Senator Petten be added to the list of senators serving on the Standing Committee on Canadian Trade Relations.

That the name of the Honourable Senator Basha be added to the list of senators serving on the Standing Committees on Natural Resources and Tourist Traffic.

The motion was agreed to.

TOURIST TRAFFIC COMMITTEE

MOTION

Hon. Gordon B. Isnor (for Hon. Mr. Buchanan), with leave of the Senate, moved:

That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada, and that the committee be authorized to send for persons and records.

The motion was agreed to.

PRIVATE BILL

THIRD READNG

Hon. Mr. Wood moved the third reading of Bill O, an Act to incorporate the Boundary Pipeline Corporation.

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

PRIVATE BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to the consideration of the amendment made by the Standing Committee on Miscellaneous Private Bills to Bill Q, an Act respecting Gulf Pulp and Paper Company.

Hon. Mr. Bouffard: Honourable senators, I move that the amendment be now concurred in.

The motion was agreed to.

EXTERNAL RELATIONS COMMITTEE

REPORT OF COMMITTEE OF SELECTION CONCURRED IN

The Senate proceeded to consideration of the report of the Committee of Selection.

Hon. Mr. Beaubien: Honourable senators, I move that the report be now concurred in.

The motion was agreed to.

PRISONS AND REFORMATORIES BILL

SECOND READING

Hon. H. R. Emmerson moved the second reading of Bill G-3, an Act to amend the Prisons and Reformatories Act.

He said: Honourable senators, this bill is really a very simple one, and the explanatory notes cover the whole matter. The Interprovincial Home for Young Women at Coverdale, in Albert County, New Brunswick, set up by Act of the legislature in April of 1921, is an institution where young women between the ages of sixteen and twenty-one may be sent to serve sentences of not less than one year or more than three years. This bill is patterned after section 107 of the Prisons and Reformatories Act, and its purpose is to provide for those confined at the Interprovincial Home the same privilege that is now held by women and girls confined to the Good Shepherd Reformatory and the Good Shepherd Industrial Refuge. That is, women who have a clear history of six months of good service in these institutions may receive licences of leave.

I do not think anything further need be said. If other information is wanted, the bill could go to committee.

Hon. Mr. Hugessen: It seems to be a very simple bill, and unless there is any desire that it be sent to committee, I suggest that it be read the third time now.

Hon. Mr. Reid: Before it is passed, may I ask whether this is strictly a provincial home.

Hon. Mr. Emmerson: It is an interprovincial home, and receives inmates from the provinces of Prince Edward Island, New Brunswick and Nova Scotia.

Hon. Mr. Reid: And the provincial governments are responsible for this home?

Hon. Mr. Emmerson: The provincial governments are responsible.

Hon. Mr. Crerar: I should like to ask the sponsor a question. Apparently, when a licence is issued after good conduct to such female persons, it is a licence to be at large in the provinces of Nova Scotia, New Brunswick and Prince Edward Island, or in any part thereof specified in the licence. If what may be called a temporary discharge is granted, what is the purpose of obliging the person to remain within the three provinces mentioned?

Hon. Mr. Emmerson: As I understand it, a woman's sentence is not completed when she leaves the institution on a ticket of leave, and she must report periodically to a parole officer. She may, for reasons of misbehaviour, be returned to the institution to complete her sentence. In fact, her sentence might be extended under such circumstances.

Hon. Mr. Reid: May I ask a further question? The bill contains the phrase ". . .during the term of six consecutive months by good behaviour . . .". Would that affect anyone who has been confined to the institution for, say, three months? I am particularly interested, in case such a measure would affect certain people in the West.

Hon. Mr. Emmerson: As I understand it, only persons serving from one to three years can be sent to this institution. They cannot be sent to serve any lesser time. If in any clear six-month period the female person has behaved herself, she may be granted a licence to be at large by the superintendent and the magistrate or deputy magistrate.

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

THIRD READING

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

Hon. Mr. Emmerson: With leave of the Senate, now.

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

PRIVATE BILL

SECOND READING

Hon. A. W. Roebuck moved the second reading of Bill H-3, an Act respecting the Royal Canadian Academy of Arts.

He said: Honourable senators, this bill does not require any extended comment. I think its objects are such that all honourable senators will approve of it.

The Royal Canadian Academy of Arts is the oldest official art institution in Canada. It was founded by the Governor General, the Marquis of Lorne, and was incorporated on May 17, 1882. It is interesting to read the first part of the original Act of incorporation. It is as follows:

> Whereas a society, consisting of professional artists, has been founded in the Dominion of Canada by His Excellency the Right Honourable the Marquis of Lorne, Governor General of Canada, and by Her Royal Highness the Princess Louise, and with the sanction of Her Majesty Queen Victoria, has been entitled the Royal Canadian Academy of Arts;

—and so on.

Naturally, the original incorporation was not sufficient over all these years, and in 1913 another Act was passed re-incorporating the society, extending its powers, stating its objects on so on. Section 3 of the Act of 1913 reads:

> The objects of the Academy are and shall be the encouragement, improvement and cultivation of the arts of painting, sculpture, architecture, etching, engraving and of design as applied to the industrial arts and manufacturers, and the promotion and support of education in all such arts, and for the purpose of attaining such objects, the Academy is authorized—

Then follow the various powers of the Academy.

The achievements of the society over these many years have been considerable. It took a prominent part in and was probably responsible for the founding of the National Gallery which is now carrying on in this city of Ottawa. For years it was the only organization in Canada that sponsored a regular art school and held classes, and it has been a prime factor in promoting good taste and progress in architecture. But times have changed and today the society's activities are confined largely to the promotion and cultivation of the art of painting.

The membership of the society is divided into two classes, academicians and associates. A certain number of the council are elected by each class, and it is largely for the purpose of modernizing elections of these two classes that the bill is proposed.

The bill contains a number of detail provisions which I feel I do not need to deal with in any particularity. It will be noted that the first amendment is to subsection 2 of section 2 of the present Act, which provides that the chief place of business of the academy shall be in the city of Ottawa. The amendment adds the words:

> or such other place as the Academy may by its by-laws designate.

The head office is at present in Ottawa, and I think it probably will remain here.

The next amendment enlarges the objects of the academy. It does this by repealing section 3 of the present Act and substituting a new section 3, which contains some additional words. The present section 3 reads:

> The objects of the Academy are and shall be the encouragement, improvement and cultivation of the arts of painting, sculpture, architecture—

And here come the first words that are added:

> —and of design in the graphic, decorative and industrial arts . . .

Then the section goes on to read as at present:

> —and the promotion and support of education in all such arts, and for the purpose of attaining such objects, the Academy is authorized—
>
> (a) to hold exhibitions in the principal cities of Canada and elsewhere;
>
> (b) to establish schools of art and design;
>
> (c) to continue to aid in the advancement of the National Gallery—

Here are the added words:

> —and to co-operate with the National Gallery in activities in which the Academy has an interest.

That appears to be narrowing the Academy's powers rather than widening them.

The number of academicians is limited in this way. At present the Act limits the number to forty, of whom not more than twenty-two may be painters, not more than five sculptors, not more than nine architects, and not more than four designers, etchers and engravers. The bill makes these changes:

> The number of academicians shall not exceed forty-five, of which twenty-four shall be reserved for painters, six for sculptors, ten for architects, and five for designers.

In order for a member of the society to be elected an academician it has been necessary for him to have contributed to the National Gallery a specimen of his work in his particular branch of art. Now the members are largely painters, and it is not always practical for a painter to give a specimen of his work to the gallery, so there is an amendment providing that he may instead deposit evidence of his work in his particular branch of art.

Voting in the society is of course a rather important matter. At present the affairs of the Academy are vested in a council composed of a president, a vice president and twelve other academicians. The bill provides that the council shall be composed of a president, a treasurer, eight academicians and four associates.

Under the present Act the Academy may establish honorary, retired, non-resident and other classes of academicians. The bill empowers the Academy to establish similar classes of associates as well.

The Academy's present membership of forty academicians and seventy-five associates includes many of the great names among painters and other artists in the Dominion of Canada. Last year Mr. L. A. C. Panton, a well known professional artist of Toronto, was president. The names of many of the other distinguished members of the Academy would, if mentioned, be well known to many of us here, and they give to the Academy great solidity and distinction.

Hon. Mr. Lambert: Can the honourable senator tell us how many academicians there are at present? I see that the bill raises the number to forty-five, of whom twenty-four are to be painters. The present Act provides that not more than twenty-two of the academicians shall be painters, and I should like to know if my honourable friend can say whether there are that number in the Academy.

Hon. Mr. Roebuck: Well, there must be nearly that number, because there are forty academicians. The limitation of membership to which the honourable member has referred applies to academicians, not to associates. There is very little difference between them, except that, as I have pointed out, an academician can qualify only by contributing a specimen of his art to the National Gallery —or, if the bill passes, by depositing evidence of his work. Generally speaking, the academicians and associates are all professional artists, and all take part in the management and activities of the society.

Hon. Norman P. Lambert: Honourable senators, I wish to refer to just one section, which relates to the deposit of pictures in the National Gallery. I have no doubt that we shall have an opportunity of making an inquiry about this in committee. I think that the National Gallery should be represented, because after all the council should have the final authority to pass upon pictures which hang in the gallery. There seems to be a point here that should be made clear.

I am perfectly in accord with this bill, and especially with its new feature empowering the academy to encourage, improve and cultivate design in the graphic, decorative and industrial arts. The son of one of the worthiest members of this body is in charge of this type of work at the gallery, and is doing it very well. I think it has brought the position of the National Gallery of Canada up to date. On that ground, if on no other, the bill is justified.

Hon. John C. Davis: Honourable senators, by way of enlightenment, I think it may be said that in the Royal Academy in England many pictures are deposited but never hung. I believe the National Gallery of Canada has in its possession a great many paintings,

among them some 750 pictures from the First Great War, collected by Lord Beaverbrook, and which are now stored in vaults in this city. I am merely pointing out that the depositing of pictures with the gallery and the hanging of them on the walls are two entirely different steps.

From time to time we receive pictures from other countries as symbols of their art, and an attempt is made to keep up to date. I do not think that the acceptance of samples of art on deposit by the National Gallery would mitigate against the purpose of this bill; indeed, I think it might be part of the duty of the Board of Governors of the gallery to accept paintings on deposit. As I have already said there are a great many paintings now on deposit, and some of the so-called works of art hang on the walls of this chamber. One should not hesitate to vote for the bill because of the particular point under discussion.

Hon. Mr. Reid: Perhaps the honourable gentleman who sponsored the bill could explain the purport of subsection 2 of the new section 5, which reads:

> Academicians shall have the right to vote in the general assembly and in all the affairs of the Academy, and in the election of academicians, associates, and officers except the associate members of the council.

Hon. Mr. Roebuck: There are a great many academicians on the council, and in the past they seem to have dominated the elections. If this bill passes, the associate members will have the right to vote for their own representatives, and the academicians will have nothing to say about it; on the other side, the academicians will have the sole right to elect their representatives. In that way there will be a clear and fair division between the two groups.

Hon. Mr. Davis: I hope nobody is going to raise the question as to what is a work of art.

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: Honourable senators, may I say a word with regard to alleged works of art?—It is obvious that one who applies to have his works deposited must be approved by the council; the member himself is approved as a professional artist before he gets into the organization. Further, before one can become an academician he must have a diploma signed by the Governor General. In this way it would seem that we have pretty well guarded against the possibility of loading the National Gallery with works of art which are not artistic. Of course, as has been pointed out, the depositing of pictures with the National Gallery does not mean that they are going to be hung where everybody can see them. There seems to be no great danger of our loading up the National Gallery with more art than it wishes to have.

I should like to say a few words in response to my friend from Winnipeg (Hon. Mr. Davis) as to the large number of pictures which are now stored. It seems to me, as I go about this building and see its many bare walls, that we might well exhibit more of the numerous works of art which we have in our possession. I think that a committee, such as the Standing Committee on Public Buildings and Grounds, might consider this subject and see what can be done to resurrect, from the damp, cold, dusty vaults, many of the valuable works of art which we have, and make them available to the public, ourselves included.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Roebuck: Honourable senators, I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. John C. Davis: Honourable senators, we have come to debate the Address in reply to the Speech from the Throne under unique circumstances. During the past few sessions of parliament we have seen a steady advance in Canada's autonomous position. We have taken on the right to amend our constitution on a federal basis, we have abolished appeals to the Privy Council, and now we have taken the major step of appointing the first Canadian-born Governor General. I think this advance should not pass unnoticed. Canada is fast developing in its position before the world, and since the Second World War its recognition as a power in world affairs has grown immeasurably.

Immediately preceding the opening of parliament and the reading of the Speech, we had the sombre experience created by the death of our Sovereign. King George was one of those lovable, kindly, loyal, friendly characters that appealed to the hearts of

his subjects throughout the commonwealth. He stayed with his people in England and maintained his position along with them in London during the terrible times of the blitz. Although his physical equipment was not of the staunchest and most rugged type, he never faltered. We reverence the high and mighty soul of this great sovereign, who has taken his place with his fathers and entered upon his immortal reward.

Also, last fall we had the visit of the then Princess Elizabeth, now our Queen. The memory of her is still fresh in our hearts. Up and down the corridors of this building, and elsewhere, we saw Elizabeth and her consort fraternize with her people. She was then received and recognized by us all for a beautiful and charming young woman; she is now also our sovereign. As her mother has said, she occupies at the present time, as queen, a very lonely position. This afternoon, as at the opening of the session, our hearts went out with our prayers to this young figure on the throne of our Commonwealth—the Queen of Canada. Our thoughts go back to the time in 1837 when another young woman, seventeen years of age, mounted the throne of England, Queen Victoria, whose reign was one of peace, of glory and of consolation to all the peoples subject to her kindly rule. Elizabeth, ascending the throne of the Commonwealth with this tradition of a young queen, will have our deepest prayers and our sincere good wishes.

To the mover and seconder of the Address in reply to the Speech from the Throne I wish to extend my heartiest congratulations on their very fine achievements. The mover (Hon. Mr. Howden) is an old friend of mine. Nearly thirty years ago I was one of a group of men who called on Dr. Howden to ask him, upon a redistribution of seats and the creation of the federal riding of St. Boniface, Manitoba, to allow his name to go before a nomination committee. If my memory serves me right, I was the one who placed him in nomination at that time. I was his electoral agent in that election and at many elections since. I believe I must have spoken from at least a hundred platforms in support of the good doctor. He is one of that fast disappearing type of physician, the old family doctor, that is being superseded through the advent of modern mass medicine: the man whose heart is quick to respond to the needs of his patients; who long before the advent of good roads and free use of automobiles did not hesitate to rise in the middle of the night, with no thought or hope of pecuniary reward, to travel along miles of country road to lonely homes to bring aid to the suffering and relief to those in pain. For that reason he was and is still loved in the riding he so long represented in the other house.

Having said this, I must add that, in his speech on the Address in reply to the Speech from the Throne, my friend used one or two sentences, appearing in almost the last paragraph of the report, with which I am in no way in agreement. They are as follow:

> There seems to be nothing we can do about it—well, not much at present, but try our best to relieve the distress of starving Chinese, starving Indians, starving Japanese, and perhaps starving Russians. This will not help much, for still they come; but by painless and harmless means the birth-rate could be controlled, and when countries can furnish their own people with food there will be fewer wars.

To these sentiments I cannot, for all my years of association with him, in any measure subscribe. They are a re-enunciation of the centuries-old theory embodied in Malthus's *Essay on Population*, wherein the author, applying the geometrics of progression of the compound interest table to population, forecast increasing distress to the world because, as he believed, the population would grow beyond the increase in the means of subsistence. Therefore I have to distinguish between the man whom I have supported all these years, the man whose work and charity have so greatly contributed to the alleviation of suffering and physical ills, and the principle he has here enunciated, the Malthusian theory that control of the birth-rate is a means of preventing wars. Malthus is not a modern, but his ideas have been taken up by Bertrand Russell, Brock Chisholm, and others of that ilk who have access at times to the air waves of the Canadian Broadcasting Corporation.

I think this theory that wars are fought on account of over-population should be brought to the test of history; that an examination of the causes of war does not in any way support the conclusion which the honourable senator propounded in his speech, and without wishing to tire the house, I should like to examine historically a few of the series of great wars which have been such a scourge to Europe and to this continent in the last century or so.

The first of these is recorded in history as the Napoleonic Wars. What was the reason for the Napoleonic Wars, which blasted Europe for almost a quarter of a century? An ideology was created. Napoleon, a brilliant man, making use of certain advantages, finally broke forth in uncontrollable ambition on a world-wide scale. In the middle of the eighteenth century France was governed by a very inefficient autocratic monarchy controlled by an effeminate king. The social conditions in France were attacked

in the writings of Jean Jacques Rousseau and Voltaire. The fabric of government finally tottered and broke under these attacks, and the rabble moved in and the purge came. The blade of the guillotine rose and fell as the tumbrels carted their victims to their places of execution all over France. The rabble government was having its financial difficulties, but these were not due to over-population. The countries surrounding France at that time were struck with fear—the same fear that comes to all minds at the present time under almost similar circumstances. Little wars broke out. A French governing assembly was set up. A revolutionary named Barres, recalling the achievements of a young military officer appealed to him to use violence in protecting the assembly. This young man of twenty-four or twenty-five years of age cleared up the rabble situation in Paris, and as his reward he was appointed commander of the French army in Italy. From that time on the name of Napoleon gained stature. A great series of campaigns followed in Italy, and the acts of military strategy displayed in these campaigns are still read and studied by military people throughout the world.

Uncontrollable ambition took possession of this warrior. The *coup d'etat* of the Assembly was furnished by Napoleon, and he created himself first a consul and then emperor. He directed his troops from Cairo on the Nile to Moscow in Russia. His actions were not motivated by reasons of over-population and problems of feeding the people, but by sheer personal ambition. Just compare those times with the present: you will find the same ideology, and the brilliance and genius of the ruthless mind overriding everything else.

What happened in Germany's history was very similar. Germany originated in the old Prussian state under Frederick the Great, a student of military tactics and a great soldier. Germany was temporarily set back by the brilliant achievements of Napoleon. A half century later the Machiavellian statesman, Bismarck, contrived an attack on Austria and then on France. He co-ordinated and federated all the individual German states, ultimately forming an empire of these autonomous units. Pursuing the pattern set by Frederick the Great, Bismarck established the future trend of Germany. Then came a new monarch, Kaiser Wilhelm. His ambition ran contrary to that of Bismarck, and his first action was to get rid of that great stateman. In those days *Punch* magazine celebrated the event with a cartoon drawn by Sir John Tenniel, called "Dropping the Pilot." This cartoon portrayed the German ship of state with Kaiser Wilhelm leaning over the rail, and watching Bismarck, the old statesman who had welded the German empire, slowly descending the ladder and vanishing from the scene. Kaiser Wilhelm did not stop at this. His professors devised the theory of geopolitics and of establishing Germany's place in the sun. They did not do this because Germany was starving.

The honourable gentleman from St. Boniface (Hon. Mr. Howden), referred to what I shall call the "fracas" which occurred in South Africa; I shall not call it a war. It was instigated by Kaiser Wilhelm's promises to Oom Paul Kruger of the Transvaal. Finally there was a direct challenge to England, and a German drive for world domination. This was not because of any lack of food or reasons of overpopulation; it was simply a movement in the world's political and economic system.

Again, after a trivial incident in Bulgaria, now Yugoslavia, Wilhelm embarked on the first world war for the purpose of gaining complete global domination. The war spread throughout Europe and on the high seas. The cataclysmic struggle that followed, which is depicted in the pictures on these Senate walls, was not caused by any Malthusian theory of over-population and under-nourishment.

Then came a new Germany, taking advantage of the weakness of the League of Nations to raise itself once again under a new figure of genius, and it was the ideology of geopolitics and Mein Kampf that again led to a challenge for world domination and brought on the cataclysm that we have just experienced.

Now we have a new threat from Russia, based on the ideology of Marx, Engels, Lenin, Trotsky and Stalin. In Russia the breaking down of government was followed by the *coup d'état*, the purge and the secret police. Russia successfully emerged from the world war after many treacherous acts, like the slaughter of the elite of the Polish Army at Kaytn, and the terrible treatment of the Poles of Warsaw, when the Russians on the suburbs of that city encouraged the Polish underground to emerge and fight the enemy and then deliberately halted and allowed the Poles to be massacred by the Germans. None of these things was the result of overpopulation and undernourishment. I cannot agree that the Malthusian theory provides a basic explanation of the cause of war.

At the beginning of our sitting this afternoon His Honour the Speaker read, among other prayers, the one ordained by the Son of God upon earth:

> Our Father who art in heaven, Hallowed be Thy name.
>
> Thy kingdom come. Thy will be done on earth, as it is in heaven.

I presume that when we listen to this prayer we assent to it, for it is a Christian prayer and we are citizens of a Christian country. Therefore we should follow the will of God, which certainly does not require the imposition of national birth control as a means of preventing war. The distinguished senator from Charlotte (Hon. Mr. Doone) pointed out yesterday the dangers of birth control on an individual basis.

I feel that we as a Senate should not accept the Malthusian theory, which history has proved to be without truth or validity. Nor should we accept any philosophy of despair. Science is just on the threshold of solving many problems. Honourable members will recollect that in the last war there was a shortage of rubber. Well, to meet that shortage synthetic rubber was developed. In Germany, synthetic oils and gasolines were used. Today we are told that it is possible to produce synthetic foods without difficulty on an enormous scale. Science, which sometimes almost seems to be a great Frankenstein that has turned against us, may do humanity a service by solving the problems, if they are problems, of overpopulation and undernourishment.

The prayer to which I have referred goes on in these words:

Give us this day our daily bread.

That is a prayer for not only ourselves, but for our neighbours and all people everywhere. The Divine Creator is the only being that has the power to answer prayer and to "give us this day our daily bread". Scientific developments that astound us from time to time are only discoveries of laws that have always existed. Electricity, light, thermodynamics, and so on, were created by the great Law Giver at the beginning of time, and He has left these and other marvelous things to be discovered, to be made manifest to us, to serve a proper purpose on earth, to be a means of answering our prayer for daily bread.

Now I wish to touch upon another subject in an entirely different field. Last session we passed the famous Bill 12, the object of which was the so-called equalization of freight rates. Equalization of freight rates means that people in what are known as the "have" provinces pay the same freight rates as people in the West and the Maritimes. Let us see what result the freight rates put into effect on January 15 this year has had on some of the manufactured products of Winnipeg.

Hon. Mr. Aseltine: Where is that?

Hon. Mr. Reid: This should be good.

Hon. Mr. Davis: It will be good.

Previous to January 15, 1952, the freight rate on steel commodities, such as steel reinforcing bars, was $2.39 from Hamilton to Edmonton. It is now $1.64. The freight rate on the same commodity from Hamilton to Winnipeg, for fabrication in one of the suburbs of that city, is now $1.64, and the carload rate from Winnipeg to Edmonton is $1.41. This is a total gross rate, with a stop-over in Winnipeg, of $3.05 as opposed to a through rate from Hamilton to Edmonton of $1.64.

This is not equalization of rates, as I understand it. Equalization of freight rates does not mean that they operate like postage rates, under which a piece of mail is carried from Sydney, Cape Breton, to Sidney, Vancouver Island, for the same denomination of stamps as will carry it between any two intervening points. I protest this interpretation most seriously. The application of equalization of freight rates extends not only to steel bars, but to pipe, plates, sheet metal, canned goods, and so forth. If equalization means anything, it means the equalization of the rate per ton per mile, and not a rate on the postage stamp basis to which I have referred.

I would draw the attention of the honourable chairman of the Committee on Transport and Communications to the grave injustice which is being done to the city of Winnipeg and its growing industries by way of this so-called equalization of freight rates. To my way of thinking, it is contrary to equalization; indeed, it could be deemed a device to disequalize freight rates and leave Winnipeg industries to wither on the branch.

Hon. Mr. Reid: We tried to warn you.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: Honourable senators, I move the adjournment of this debate.

The motion of Hon. Mr. Horner was agreed to, and the debate was adjourned.

DIVORCE

PRINTING OF EVIDENCE

Hon. Mr. Aseltine: Honourable senators, before the house adjourns I should like to draw the attention of the honourable acting leader of the government (Hon. Mr. Hugessen) to the fact that the Standing Committee on Divorce has been working very hard, six days a week, and before the Easter adjournment it will have completed some 150 cases. Many of the bills have received third reading, been passed by this chamber and sent to the other place; but as far as I know not one report has been printed. The consequence is that the other house has been

unable to deal with the bills that have come before it. I think it most important that the honourable acting leader of the government should be made aware of these facts, and that he should bring as much pressure as possible to bear upon those responsible for the printing to have it done at a very early date.

Hon. Mr. Hugessen: I will certainly have the necessary inquiries made with a view to rectifying the situation to which my honourable friend has drawn my attention.

Hon. Mr. Roebuck: There is certainly no lack of private plants across Canada which have printing facilities that are not being used.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 28, 1952

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

Prayers and routine proceedings.

DIVORCE

PRINTING OF EVIDENCE

Hon. A. K. Hugessen: Honourable senators, yesterday the honourable senator from Rosetown (Hon. Mr. Aseltine) inquired about the printing of evidence in divorce matters, and I promised to obtain some information for him on the subject. I now have the information, which is to this effect: To date the printed evidence in only five cases has been received. The Printing Bureau has contracted with private printers in various places in Ontario and Quebec for the printing of the evidence in more than 100 of the total of 141 cases that have been heard so far. It is the intention of the Bureau to print as much of the evidence as is possible. The Superintendent of Printing reports that the outside printers to whom these 100 cases have been referred, have agreed to have 90 per cent of the evidence delivered by the middle of next week.

Hon. Mr. Haig: In the absence of the honourable chairman of the committee (Hon. Mr. Aseltine), may I say that we are anxious to get these reports printed so that they can be placed in the hands of the members of the House of Commons for their consideration prior to our return after the Easter recess.

Hon. Mr. Hugessen: I have been advised that the Queen's Printer has done everything he possibly can to expedite the work in the hands of the outside printers. He has sent each of them a telegram. Only five reports have been received so far, three from Montreal and two from Toronto, but 90 per cent of the remainder are expected by the middle of next week. This means that they should be in the hands of the members of the other place before they adjourn for the Easter recess.

Hon. Mr. Haig: The other day in the House of Commons a distinguished member objected to a certain divorce bill being brought before the Senate because the petitioner in the case, a woman, is now living in Toronto. He wanted to know why the case was not heard in Toronto. In this particular case the parties lived in Newfoundland following their marriage. Subsequently the husband deserted his wife and married a woman in the United States, by whom he had children. Our divorce laws provide that a divorce petition must be brought in the province in which the husband is domiciled, and after two years of desertion the action must be brought in the Canadian province of the last known domicile of the husband. In this case the last known domicile of the husband in Canada was Newfoundland. Now, if the evidence in this case had been available to the distinguished gentleman in the other place, he would have seen why the petition was brought before the Senate Divorce Committee. Members in the other house are raising objections because of factors which may seem rather strange, but which actually are in accordance with the Canadian law.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: I should like to inform the house about our prospects for work for the next two or three days. I have been advised that two supply bills are to be introduced in the other place today, both which will require to be dealt with and finalized by parliament by next Monday, which is the end of the fiscal year. The first is the interim Supply Bill, to provide the usual one-sixth of the estimated funds required for the current year; the second covers the supplementary estimates for the year just ended.

My information is that the Interim Supply Bill may reach us this afternoon, in which case I would ask honourable senators to deal with it today. On the other hand, I am informed that the supplementary estimates may not be through the other house until late this evening or perhaps Monday afternoon. In those circumstances I am going to suggest that when the Senate adjourns this afternoon it stand adjourned until Monday evening next at 8 o'clock, when we shall deal with the supplementary estimates and, if necesary, with the Interim Supply Bill, assuming that we have not dealt with it this afternoon. And it is expected that following the sitting of this house on Monday evening there will be a Royal Assent.

JAPANESE PEACE TREATY

RESOLUTION OF APPROVAL

Hon. A. K. Hugessen (for Hon. Mr. Robertson) moved:

Resolved, That it is expedient that the Houses of Parliament approve the Treaty of Peace with Japan, Declarations (2) of Japan and Protocol, all as signed at San Francisco on the eighth day of September, 1951, and that this house do approve the same.

He said: Honourable senators, the treaty between the Allied Nations and Japan was circulated to honourable members of this

house, I think, about a fortnight ago, but in case they should wish to refer to it during this debate, I understand that copies are available in the hands of the Clerk.

The treaty was signed in the city of San Francisco on September 8, 1951, by the representatives of forty-eight different governments, but it is a condition of the treaty that it must be ratified by all the states who signed it at that time. Under article 23 of the treaty it comes into effect for all those who have ratified it when instruments of ratification have been deposited on the one hand, by Japan, and, on the other hand, by a majority, including the United States, of the eleven principal countries who were at war with Japan during the war recently concluded—those nations being Australia, Canada, Ceylon, France, Indonesia, the Kingdom of the Netherlands, New Zealand, Pakistan, the Republic of the Philippines, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

Well, Japan has ratified that treaty, and when the majority of those eleven countries shall have done so, it comes into force. Of the eleven nations, the United Kingdom alone has already ratified it, and parliamentary approval and all the necessary steps leading to formal ratification have been completed by Australia, New Zealand, the United States of America and Ceylon. That makes a total of five nations out of eleven, so that if Canada takes the necessary parliamentary action and becomes the sixth nation to ratify the treaty, it will then come into effect.

As I said, the treaty was signed on September 8 last, at San Francisco, but for over a year previous to that it had been under active negotiation at the diplomatic level between the countries concerned. As might be expected it was the United States which took the leading part in those negotiations, that country being, as everybody knows, the principal occupying power in Japan. The man who had the principal part in negotiating this treaty on behalf of the United States was Mr. John Foster Dulles. As honourable senators are aware, Mr. Dulles was for two or three years, until quite recently—last week, in fact—one of the principal assistants of Mr. Dean Acheson, Secretary of State of the United States.

Honourable senators will appreciate that it was not easy to arrive at an agreed treaty with Japan, particularly on behalf of some of the nations which had suffered very severely at her hands during the war. There were rather basic resentments on the part of countries like Australia and New Zealand at the treatment which had been accorded some of their fighting men during hostilities. There was resentment also on behalf of the Philippines which had been very badly devastated by Japan. Great Britain had a good many things to consider. She had to forget about the tragedy of Singapore; and in particular she had to consider the trade rivalry which had existed between herself and Japan, previous to the war, and the rather unscrupulous methods of trade which had been a feature of Japanese activities at that time. It was therefore not easy to get all forty-eight countries to agree on the terms of the treaty of peace with Japan; in fact, I think it is true to say that the countries of the far Eastern Pacific would not have agreed to it unless they had been afforded further protection in the form of two additional covenants, which were at the same time entered into by the United States. The first was the Tripartite Security Treaty between the United States, Australia and New Zealand, and the second was the Mutual Security Pact between the United States and Japan.

But whatever may have been the objections or the difficulties about reaching finality in this treaty, they were finally overcome. The principal consideration, I think, was that it was most essential for the security of the Far East, and indeed of the world in general; that an attempt should be made to bring Japan back into the community of civilized nations; and further, that she should become a bulwark against communist aggression in the Far East.

While I am on that subject, I should draw the attention of the house to the fact that neither Soviet Russia nor Communist China are parties to this treaty; but I think perhaps we can say that the treaty is all the better for it. I do not want honourable senators to misunderstand me, for it was not for want of trying that Russia is not a party to this treaty. For four years, from 1947 onwards, the western powers did their best to negotiate a Japanese treaty with the Soviets, but as one has come to expect in negotiations with Soviet Russia, the negotiations finally bogged down in complete futility, in a vast stream of evasion, slander and lies on the part of the Soviet representatives.

If honourable senators will bear in mind what has happened—or rather, perhaps, what has not happened—in connection with the attempt to make a peace treaty with Austria over the past six years, they will realize that there was really very little hope of getting the consent of the Soviets to any proper peace treaty with Japan, and that the only reason why we in the western world have

been able to bring about this treaty has been the fortunate circumstances that Soviet Russia was not one of the occupying powers of Japan when the war came to a close.

Now, dealing for a few moments with the treaty itself. It is a generous treaty, and its purpose is to restore Japan as an equal member of the family of nations. I suppose we can say that it represents a calculated risk on the part of the allied governments who had been at war with Japan, and who in this treaty have forsaken revenge and sought reconciliation. The experience which the world has had with punitive, restrictive treaties, has proved that such treaties bear within themselves the seeds of their own destruction. This treaty does not attempt to gloss over Japan's aggressive acts; neither does it seek to prolong Japan's exile from the company of sovereign nations, there to brood in sullen discontent to the detriment of the important area of the world in which she must live. It looks to the future co-operation of a peacefully inclined Japan with other free nations, in contributing to the stability of Asia.

The treaty, as I say, is a very generous one, and if honourable senators would like to get at the spirit in which it was written they cannot do better, I think, than read the two short paragraphs of its preamble, which I will now take the liberty of quoting. They read thus:

> Whereas the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, co-operate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them;
>
> Whereas Japan for its part declares its intention to apply for membership in the United Nations and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Then follows the treaty.

The preamble, as I have read it, records Japan's intention to seek membership in the United Nations; to conform to the principles of the Charter of the United Nations; to continue the progress made in the occupation period with respect to human rights and freedoms in Japan itself; and, finally, to conform in public and private trade and commerce to internationally accepted fair practices.

I believe that if Japan acts sincerely in the spirit of these declarations she will have gone a long way towards restoring the good will of the allied powers.

Chapter II of the treaty deals with the disposition of former Japanese territory. Under its articles, Japan formally ratifies the territorial provisions of the Potsdam surrender terms, which provided that Japanese sovereignties should be limited to the four main islands of Japan. Japan therefore renounces in these articles all claim and title to Korea, Formosa, the Pescadores, the Kurile Islands, South Sakhalin, and to those islands which she held in the South Pacific by reason of a League of Nations mandate. Japan retains residual sovereignty over the Ryukyu and Bonin islands, although Article 3 makes it possible for these islands to be brought under the United Nations trusteeship system, with the United States as the administering authority.

One of the most important problems which arose in negotiation of the treaty was that of the security of Japan, and it is dealt with in Chapter III of the treaty. By article 5 of this chapter, Japan accepts the obligations to settle her international disputes by peaceful means, to refrain in her international relations from the threat or use of force, and to give the United Nations every assistance in any action it takes in accordance with the Charter. The Allied Powers recognize that Japan as a sovereign nation possesses the inherent right of individual or collective self-defence. In other words, that means that Japan becomes free again to have armed forces. Article 6 provides that all allied occupation forces shall be withdrawn from Japan as soon as possible after the coming into force of the treaty. However this article states explicitly that there is nothing to prevent the stationing or retention of foreign armed forces in Japan under the terms of any agreement reached between one or more of the Allied Powers and Japan.

In that connection I think I should point out that a security treaty between the United States and Japan was signed on the same day the peace treaty was signed. Under its terms United States land, air and sea forces are to be stationed in and about Japan, to contribute to the maintenance of peace and security in the Far East and to the security of Japan against an armed attack. Japan's military machine was completely dismantled during the occupation, and to have restored sovereignty to Japan without allowing her the means to protect that sovereignty would have been an empty gesture. I believe that

Japan will see the wisdom of voluntary association in collective security arrangements for her defence, and will herself contribute to those defences and thereby to the greater stability of the Pacific area. We must all hope that the Japanese are now aware of the folly of aggressive militarism, and that they are not likely to be misled again by such chauvinistic slogans as those which were the stock in trade of her leaders prior to the last war.

Chapter IV of the treaty is concerned mainly with the future of Japan's commercial relations. The treaty does not attempt to settle questions of commercial policy, but leaves this for bilateral settlement between individual signatories of the treaty and Japan, within the broad framework of the peace treaty's provisions. Canada has a special interest in the commercial provisions of the treaty, and it is the Canadian government's hope that Japan will not revert to trading practices which aroused much criticism before the war. On the other hand, I think we will all have to realize that Japan, in order to be able to exist as a commercial nation in the future, will have to develop a very large external trade with the rest of the world.

Article 9 in Chapter IV is of special importance to Canada, and already action has been taken to implement its terms. Japan undertakes under this article to enter into negotiations with interested Allied Powers for the conclusion of fisheries agreements respecting the regulation or limitation of fishing and the conservation and development of fisheries on the high seas. In Tokyo, in December of last year, representatives of Canada, the United States and Japan reached agreement on a draft convention for the high seas fisheries of the North Pacific Ocean. Our Minister of Fisheries has described these negotiations as most successful, and honourable senators will recall the very interesting remarks made on this subject last week by the honourable senator from New Westminster (Hon. Mr. Reid). Japan will not be in a position to sign this important convention until the peace treaty comes into effect: Canada, therefore, has an additional reason for taking as early action as possible on the ratification of the peace treaty.

Generally speaking, the commercial clauses of the treaty, although somewhat technical in nature, may be summarized in a few words. Japan's economy is not restricted in any manner, nor are any limitations placed on her right to trade with all countries of the world.

The difficult problems raised after any war with respect to claims and property rights are dealt with in Chapter V, which is one of the longest chapters in the treaty. Article 14 in this chapter sets out one of the most important principles of the treaty. It states clearly and unambiguously that Japan should pay reparations to the Allied Powers for the damage and suffering she caused during the war. However the Allied Powers also recognize that if Japan is to maintain a viable economy, and is not to become a further economic trouble spot in an already troubled area, her resources are simply not adequate to pay even the just demands of her former victims. These very limited reparations clauses could not but be unsatisfactory to a number of states which had suffered by reason of Japan's military activities—for instance, the Phillipines and Indonesia; but these nations finally accepted these clauses in order that the larger objectives of the peace treaty might not be endangered. Surely they were wise in this. Surely the experience of Europe after the first Great War has shown how futile it is to try to collect excessive reparations from a beaten enemy—yes, and not only how such attempts fail, but how they poison international relationships for the years afterwards.

The drafters of this treaty have not made this mistake. They have attempted to substitute reason for revenge. Japan undertakes, under the terms of Article 14, to compensate those Allied Powers whose territories she had occupied, by making available the services of the Japanese people in production, salvaging and other work. Further, she expresses the desire, in Article 16, to make available certain of her assets to indemnify members of the Allied Forces who suffered undue hardships while prisoners of war of Japan. She undertakes also to return all allied property which she held during the war. To sum up, I think it can be said that these reparation clauses are generous and sensible, and above all, that they will work.

This brief survey of the treaty is meant only to highlight its more important provisions. I have not attempted to describe in detail the long and difficult negotiations which went into each and every one of the articles that it contains. The treaty was negotiated in a rather novel and unusual way, by discussions, which occupied more than a full year. As I said at the beginning, attempts were made as early as 1947 to get on with the drafting of the treaty, but these attempts were unsuccessful because of the insistence of the Soviet Union that the treaty should be drafted by the Council of Foreign Ministers, a body in which the Soviet Union would have a veto. The United States and other interested governments refused to accept this procedure, and after four years of constant effort to urge agreement with the Soviet Union it

was finally decided to foresake the traditional conference method and to try to negotiate an agreed treaty. As I have said, it was principally Mr. John Foster Dulles of the United States who, in a year of negotiating with all the other nations involved, brought about agreement between them. The conference at San Francisco was therefore not a conference to negotiate a treaty, but a conference to give formal approval to a text upon which agreement had already been reached through diplomatic negotiations.

I should point out that the government of this country, was given ample opportunity during those negotiations to express its opinion on the various features of the treaty, and it is confident that the treaty which is before us today represents the maximum agreement possible among the interested allied governments. It believes further that the treaty will be successful in setting the pattern of Japan's gradual return to the family of free and sovereign nations.

Now, honourable senators, there is only one thing further that I should say. It has been suggested that this treaty might well be referred for consideration to our Standing Committee on External Relations, and I understand that, if a reference is made to the committee the minister is desirous and willing to appear and to answer any questions with regard to the treaty that members may see fit to put to him. I also understand that my honourable friend the senator from Ottawa (Hon. Mr. Lambert) intends to move, in amendment to the resolution as it stands upon the order paper, that the subject-matter of the resolution be referred to this standing committee. If he does so I certainly shall have no objection.

Hon. John T. Haig: Honourable senators, I do not intend to deal with the treaty in detail. I want first to congratulate the honourable senator from Inkerman (Hon. Mr. Hugessen) upon his very clear and fair statement of the terms of the treaty.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I wish also to make another preliminary observation. This is really a question of foreign relations. As this house knows, I am not given to quoting statements made by anyone else in any other place, but I do wish to quote with approval the statement made yesterday in another place by the leader of the party of which I have the honour to be leader in this house, that parliament ought to try as far as possible to reach unanimous opinion on external affairs, and that any difference of opinion about them should be supported by very strong facts. I also endorse his statement that whenever some new principle or new policy in relation to foreign affairs is being adopted, parliament ought to be informed of it first, either in private or in open sitting. I wholeheartedly agree with those two views. I believe that our Parliament of Canada ought to speak with one voice in all foreign affairs, for we are a small country—though we cover a lot of territory we are a small country in world affairs—and we are in a unique position, with the United States on the one hand and the Commonwealth of Nations on the other. That position also imposes upon us a great responsibility, and I am always delighted when there is unanimity of opinion in the other house with the principles of any external policy under consideration. I hope that there will be a similar unanimity of opinion in this house at all times.

As to the resolution before us, I have no criticism at all to offer but I do wish to make a comment or two. I was always led to believe that wars were caused by a shortage of food or of land for occupation, or some such thing as that. Well, there is certainly a food shortage in many parts of the world today. I hear statements made on the public platform and I read newspaper editorials advocating the giving by this country of large sums for the purchase of food for Asiatic and various European countries in order to prevent the outbreak of another war. Well, though my memory does not go back very far, it does take me back to the South African war. That was only a small affair, it is true, within the commonwealth or empire as it was called then, but I do not think that food had anything to do with the cause of it. I think that war was brought about by one man's ambition for power. Whether he succeeded or not has nothing to do with the point. Then, of course, I remember well World War I. Why did that war break out? True, the shooting of an Austrian archduke was what appeared to cause the war to begin, but the real cause was the determination of the German Emperor to become one of the rulers of the world. He trained and inspired his people to support him in that determination, and his love of power was really the main cause of that war.

And certainly if ever there was a war that resulted from a love of power or domination and the crushing of freedom, it was World War II. One man—true, he was a demagogue —inspired a whole nation to support his dictatorial policy, and war became inevitable. It is equally true that love of power and of domination inspired the Japanese to fight. And the threat of a third world struggle facing us now arises from the desire of a few men in one country to dominate the whole world.

When World War I was in progress people used to say that it was a war to end wars, that there would never be another armed conflict on such a large scale. Yet within a few years a still more terrible war broke out, and a lot of men who had fought in the first one found themselves fighting once more. It is only reasonable that our people should fear another outbreak, for in the last two years we have made more preparations for defence than ever before in this country.

Then look at the war in Korea. Was that caused by a shortage of food? No. Peace was broken because North Korea wanted to control South Korea. Of course, the people in the north were urged on by the communistic theorists from China and from Russia.

Now the great problem is how to get the world at large to understand that a country that goes to war because of a love of power cannot succeed. We are doing our best to make this clear to any would-be aggressor. That is why we are arming ourselves to the utmost of our ability. In building preparations for defence the government may have made blunders, it may have done the wrong thing here and there, but I am not expressing any criticism of it for that. If I had been in office I might have done worse. We are spending tremendous sums of money on this preparation, transferring men from industrial life to the armed forces, building ships, guns and aeroplanes. All this is being done for no other purpose than to prevent some nation from carrying out its desire for aggrandizement. Now, the thing I am wondering about is how in our day and generation we are going to get the world to understand that desire for aggrandizement through conquest must fail.

As to Japan—I do not know of any nation that committed greater atrocities than Japan did in the last war.

Hon. Mr. Wood: Germany.

Hon. Mr. Haig: No. Boys from my city of Winnipeg were taken prisoners of war by the Japs, and some were prisoners in Germany, and they say that those in the Japanese camps were treated ten times as badly as the ones in German camps. I know this personally. When I heard that my boy was going to Europe I said, "Well, that is his duty." But when I heard that he had volunteered to fight in Japan, I was sick. The boys who have returned home to Winnipeg from Japanese camps are unanimous in denouncing the atrocities of their captors. Yet, world conditions are such that we have to make a treaty with Japan. I am not opposing it at all. The view expressed by the deputy leader of the government (Hon. Mr. Hugessen) is the same as my own. I am with him wholeheartedly; and although I am not opposed to the bill being referred to committee, as far as I am concerned it is not necessary.

It is indeed a strange world in which we find ourselves today. We are now trying to make peace with Germany, and although we may charge many things to that country, we are unable to make peace with her because Russia stands in our way. We probably could make peace with part of Germany, but it is not practicable to divide that country, with some 20 million people in one portion and 40 million in another.

Hon. Mr. Horner: And Austria is in somewhat the same position.

Hon. Mr. Haig: I never thought that within about ten years after the entry of Japan into the recent war I would be standing up in parliament and voting to receive her back with open arms; yet I am doing that very thing, and doing it wholeheartedly.

I have a further thought, and it may seem strange coming from me. I do not believe that our policy in a world of materialism, power and aggrandizement is going to solve the world problem. I am in agreement with what the United States and Great Britain are trying to do, but I believe that we have to do something more than give food to people. We must give them thoughts and ideas which will change their way of looking on life.

At times I am astounded at the selfishness of some of our Canadian people—my criticism is not directed particularly at men of wealth or those who control industry—and I wonder whether they are dealing with people in the same way they would have those people deal with them. We have watched the actions of the communists in their attacks on religion and religious leaders in certain countries. Why did they seize the Roman Catholic archbishops and other religious men in Austria and Poland? Why do they pounce upon the missionaries in China and in other parts of the world? The reason is always the same—their defiance of religion. If we do not teach people the proper ideals of life, we will go from one war to another.

The peace treaty now before us is the best illustration of the kind of history we should be making. Here is a nation which, in less than seven years from the conclusion of the war, has become a party to a generous peace treaty. I will say this for General MacArthur, that while he may go down in history as a man who was fired from his job, he will certainly be known as

one Anglo-Saxon who made a great contribution towards the rehabilitation of the Japanese nation and in bringing it to the point where it is able to take its place beside nations such as Great Britain and the United States. I believe he has done a great service to mankind.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: We in Canada must deal with other nations in the same way that we would expect them to deal with us.

Hon. Mr. Horner: The Golden Rule.

Hon. Mr. Haig: I am not trying to preach a sermon, honourable senators, but I think that we are standing at the cross-roads of history, and that a hundred years from now this Japanese treaty will be held up as a symbol of what the free world did in 1952. I give great credit to John Foster Dulles and the people of the United States, whose patience and tolerance have brought about this agreement. I also congratulate the British Commonwealth of Nations, because as the acting leader opposite has said, this treaty could not have been brought about without the co-operation of Great Britain, Canada, Australia, New Zealand and Ceylon. These are the countries which made this agreement possible. I hope that what is now taking place will prove to the world the utter folly of war. Notwithstanding the fact that Japan did everything to make men mad, the conduct of the allied countries has been an exemplification of the teaching of the great Master, that we should turn the other cheek.

Some Hon. Senators: Hear, hear.

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

SUBJECT-MATTER REFERRED TO COMMITTEE

Hon. Norman P. Lambert: Honourable senators, I do not intend to detain the house with any lengthy remarks at this time, but with leave of the Senate I should like to say a few words and present a motion. This treaty provides ground for a great deal of discussion, and I should like to have an opportunity to examine its background a little more fully. For that reason I move:

That the subject-matter of the resolution be referred to the Standing Committee on External Relations for consideration, and that the said committee be authorized to send for persons, papers and records.

I should like to say a few words in support of this motion, in the hope that when the committee meets it may have before it the minister concerned and any other officials from the department who might be of assistance to us, to give information about the treaty.

I would qualify the statement made by the honourable leader opposite (Hon. Mr. Haig) about the unanimity with which foreign policy affecting Canada is adopted. I think that when conclusions are reached they should be supported unanimously, but in the reaching of them we should invite thorough discussion and the expression of all shades of opinion. In this country we certainly need all the light that can be thrown upon our relations with other countries. For that reason, with a view to elucidating and crystallizing Canada's position in such matters as the treaty now before us and the one recently under discussion in the other house, I would encourage rather than discourage, more frequent debate and argument upon the course to be taken.

It is a commonplace to speak of mankind as now standing at the cross-roads of history. My view in connection with this Japanese treaty is that the cross-roads of history were reached thirty years ago, in 1922, when Great Britain, in conjunction with the United States, decided to change the orientation of policy from an Anglo-Japanese to an Anglo-American alliance. Today we see one of the logical consequences and conclusions of that arrangement. We stand on the threshold of some great realignment of forces, and it remains to be seen whether Japan is to be permanently included as a party to that great alliance of thirty years ago.

Without speaking any further on this subject, I would suggest very strongly that my motion be carried.

The motion of Hon. Mr. Lambert was agreed to.

DIVORCE BILLS

FIRST READING

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill G-4, an Act for the relief of Arline Silverman Cohen.

Bill H-4, an Act for the relief of Doris Jane Aitchison Birchenough.

Bill I-4, an Act for the relief of Margaret Lois Long Fordham.

Bill J-4, an Act for the relief of Eileen Roberta Lynn Walker.

Bill K-4, an Act for the relief of Claire Greenberg Chilcig.

Bill L-4, an Act for the relief of Rose Godfrey Slutsky.

Bill M-4, an Act for the relief of Eva Lubin Greenfield.

Bill N-4, an Act for the relief of Gladys Cecilia Fisher Waugh.

Bill O-4, an Act for the relief of Sheila Ruth Coppelman Mitmaker, otherwise known as Sheila Ruth Coppelman Mintz.

Bill P-4, an Act for the relief of Ada Vera Higgins Montgomery.

Bill Q-4, an Act for the relief of Priscilla Theresa Marie Laurin Minyaska.

Bill R-4, an Act for the relief of Marie Dora Adrienne Menard Chartrand.

Bill S-4, an Act for the relief of Bridget Chiasson Musseau.

Bill T-4, an Act for the relief of Emilia Bigelis Kozakiewicz.

Bill U-4, an Act for the relief of Dora Katz Schneiderman.

Bill V-4, an Act for the relief of Joseph Lionel Bibeau.

Bill W-4, an Act for the relief of Helene Philomena Schenker Champ-Renaud.

Bill X-4, an Act for the relief of Mary Finkelstein Fogel.

Bill Y-4, an Act for the relief of Gregorij Sergeij Anker-Jakerov.

Bill Z-4, an Act for the relief of Florence Margaret Parsonage Velleman.

Bill A-5, an Act for the relief of Georgine Jun Ruzicka.

Bill B-5, an Act for the relief of Jean (Janek) Mazur.

Bill C-5, an Act for the relief of Giuseppa Manuri Bartucci.

Bill D-5, an Act for the relief of Joseph Edgar Eaton.

The bills were read the first time.

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

Hon. Mr. Haig: With leave, at the next sitting.

PRIVATE BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill Q, an Act respecting Gulf Pulp and Paper Company.

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

PRIVATE BILL

THIRD READING

Hon. Mr. Lambert moved the third reading of Bill P, an Act to incorporate the Perth Mutual Fire Insurance Company.

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

EXPORT AND IMPORT PERMITS BILL

THIRD READING

Hon. Mr. Hugessen moved the third reading of Bill C, an Act to amend The Export and Import Permits Act.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill I-3, an Act for the relief of Sylvia Grace Martin Corbett.

Bill J-3, an Act for the relief of Sarah Sybil Aaron Daugaard.

Bill K-3, an Act for the relief of Kenneth Ashby Lambe.

Bill L-3, an Act for the relief of Lillian Ethlyn Crouse McManus.

Bill M-3, an Act for the relief of Marie Leopoldine Gabrielle Asselin Adler.

Bill N-3, an Act for the relief of Joseph Jacques Ernest Demers.

Bill O-3, an Act for the relief of Madeleine Therrien Ferron.

Bill P-3, an Act for the relief of Catherine Victoria Howie Burnett Worthington.

Bill Q-3, an Act for the relief of Hazel Rawlings Passnick.

Bill R-3, an Act for the relief of Douglas Paul Wilbur.

Bill S-3, an Act for the relief of Arnold Ernest Kirby.

Bill T-3, an Act for the relief of Annie Shaw Young Goudie Corcoran.

Bill U-3, an Act for the relief of Frederick Charles Butler.

Bill V-3, an Act for the relief of Sam Feldstein.

Bill W-3, an Act for the relief of Thomas Richard Markey.

Bill X-3, an Act for the relief of Vera Jane Carroll Ross.

Bill Y-3, an Act for the relief of Ruth van der Walde Crowley.

Bill Z-3, an Act for the relief of Mabel (Karianoron) Stacey Delorimier.

Bill A-4, an Act for the relief of Ruth Friefeld Ragoza.

Bill B-4, an Act for the relief of Mary Duncan Barlow.

Bill C-4, an Act for the relief of Cyril Frederick Hembling.

Bill D-4, an Act for the relief of Denise Gelinas Gilmour.

Bill E-4, an Act for the relief of Gordon Eugene White.

Bill F-4, an Act for the relief of Silas Maxwell Barrow.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Haig: With leave of the Senate, now. I so move.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. R. B. Horner: Honourable senators, in rising to take part in this debate on the Address in reply to the Speech from the Throne, I wish first to sincerely congratulate the mover and the seconder of the Address. I would also congratulate all those who took part in the debate. I only regret that more honourable senators have not seen fit to do so. There were some excellent speeches: I may instance those of the honourable senator from Ottawa (Hon. Mr. Lambert), the honourable senator from Ponteix (Hon. Mr. Marcotte), and the honourable member for Mount Stewart (Hon. Mr. McIntyre): in my opinion all the speeches were of a high order. For that reason, and because of my limited ability, I have hesitated to take part. There are, however, certain things which are mentioned in the Speech upon which I wish to comment.

Before doing so I wish to offer some defence of the honourable senator from St. Boniface (Hon. Mr. Howden), the mover of the Address, who has been criticized—as he said he expected to be—for his reference to birth control. Although I am not equipped to speak on some aspects of this question, I feel that from other points of view I am fully justified in making a few observations about it.

On the general question, I do not know of anyone who is better qualified by his experience and reputation to speak than is the honourable senator from St. Boniface. Some reference was made by the honourable junior senator from Winnipeg (Hon. Mr. Davis) to the practical humanitarian work he has done, without thought of reward, throughout his professional life. No doubt he has been in homes where, perhaps, a lesser number of children would have had a better opportunity of growing to full manhood and womanhood. After all, there is a sound basis for thinking of this kind, and I believe, notwithstanding the remarks of the honourable senator from Winnipeg (Hon. Mr. Davis), that question of food supplies and other essentials of life have caused wars in the past and are likely to cause them in the future.

I agree with the well-chosen words delivered this afternoon by the deputy leader of the government (Hon. Mr. Hugessen), about the generous and sensible reparation clauses embodied in the Peace Treaty with Japan. Nothing is to be gained by attempting to make a defeated nation pay excessive reparations. Some historians of repute have maintained that one of the reasons Germany was so anxious to annex territories was that she did not like to see so many of her nationals emigrating to the United States and other parts of the world. In other words, Germany felt that she was crowded for living space.

What about Japan and this treaty today? We speak of the mistreatment that our good missionaries are suffering in the Orient, but if we are to practise practical religion we should first look to see how we have treated the nationals of the Oriental countries who have come here to make Canada their home. Just how freely have we opened our doors to them? Honourable senators can easily recall the many political debates that have taken place on the question of allowing Chinese women to join their husbands in Canada. If I were entering China as a missionary I should like to be able to say that I always strongly argued in favour of Chinese immigrants being allowed to have their wives and families join them here. I have said in this house before that we should consider how this country treated innocent Japanese Canadians on the West Coast at the outbreak of the last war. The Japanese homeland, small in size, is a heavily populated country. I wonder how the people of Canada, which is fast becoming an industrialized country, are going to regard this treaty. The Japanese are an industrious people who are willing to work long hours. Are we going to be ready to accept their goods. These are matters which we must consider in regard to the signing of this treaty.

Then there is the question of India. I remember last fall hearing an address in Britain by Gilbert McAllister, Labour member of parliament, in which he said the average life span of a native of India is twenty-four years. I have read several books about that country which have stressed the rapid

growth of India's population, and there are those of high standing who today are advocating some measure of birth control for that country. According to recent press reports, millions are facing starvation in drought-stricken areas of India. Vegetation is drying up and the earth is scorched. I think we might at least retain some of the friendship these people have for us if we were to send them food.

I disagree with the remarks made by my leader (Hon. Mr. Haig) about the St. Lawrence Seaway. As one who comes from the great agricultural province of Saskatchewan, I am unalterably opposed to paying any special toll on our produce in order to help develop hydro power on the St. Lawrence river.

Hon. Mr. Ross: They are not imposing tolls for the purposes of the power development.

Hon. Mr. Horner: No, but the fees charged will be used for the purpose of building this power project. Our exports to the east will be funnelled through the St. Lawrence Seaway, and as a result we will have to pay this toll charge.

Hon. Mr. Roebuck: The honourable gentleman realizes that western grain producers have to pay freight rates.

Hon. Mr. Horner: And we shall have to continue paying them—and increased rates at that. At the present time the freight rate structure in Canada is just about putting us out of the market. For many years now I have been personally acquainted with the business of shipping horses. I do not believe there is any place in the world where you can raise better horses less expensively than you can in western Canada.

Hon. Mr. Roebuck: Granted.

Hon. Mr. Horner: Some people think it is cruel to allow horses to run free in the snow all winter, but they are wrong. At the present time there is a heavy demand in eastern Canada for western horses, and we find that the freight rate has increased from $350 to $700.

Hon. Mr. Quinn: Per carload?

Hon. Mr. Horner: Yes, per carload of eighteen horses. This rate is practically prohibitive. It seems to me that the Senate should set up a special committee to inquire into this whole question of transportation.

I read recently that the President of the C.N.R. said that his company was considering going into the trucking business. I would say that he is just about twenty years too late, and that the different trucking organizations would come forward and claim that the railway was being given a monopoly. Nothing will replace the railroads for us; but our freight rates have certainly gone up. If the St. Lawrence Seaway takes trade away from the railroads, then the railroads will be seeking still higher freight rates. I believe that the port of Churchill could be made greater use of. It should be the port of entry for many of our imports, and in return we could ship at least 40 million bushels of grain through Churchill each year.

Already there have been extensive hydro-electric developments in the East, and the construction of the power project on the St. Lawrence river will result in a further concentration of industry in Central Canada. We in the West will benefit very little from this.

Now I want to say something about the subject of redistribution, which is a very sore point with us in Saskatchewan. Through redistribution Saskatchewan is likely to lose a quarter of its present number of members in the House of Commons. All political parties in the province are in favour of the proposal for a measure to provide that the representation of any community or district should not at any time be reduced by more than 10 per cent.

I mention this matter to call attention to the seriousness of the situation for our province. If our political voice is so weak now that we can be brushed aside with impunity, the reduction of our present number of elected representatives in parliament to the degree suggested would cause that voice to become even weaker. Some years after entering confederation Prince Edward Island was able to make a bargain whereby its representation in the Commons was prevented from being reduced to a level proportionate to the province's decreased population. We in the West, however, had no opportunity to protect ourselves in this way, and the fact is that, despite their great wealth and large production the western provinces have a very small voice in parliament. British Columbia may soon be demanding more members in this chamber, and it has been suggested that the appointment of more senators from the other western provinces would relieve their situation.

Hon. Mr. Hugessen: Will my honourable friend permit me to interrupt him for the purpose of making one remark—a personal remark? I do not think the province of Saskatchewan will ever be inadequately represented in this chamber so long as he is a member of it.

Hon. Mr. Horner: I am not so sure of that, but I thank you very much.

A good deal has been said from time to time about subsidies and other payments to Saskatchewan. Well, it cannot be pointed out too often that Saskatchewan subsidized the whole of Canada to the tune of perhaps $200 million because of the bargain price at which our wheat was sold in this country during the war. Consumers throughout Canada were benefited at the expense of grain producers in Saskatchewan and the other prairie provinces. Reference has been made to the $65 million allowance to producers, but that was merely a small part of what we should have got to compensate us for the difference between the price paid to us and the world price for the so-called class 2 wheat.

Some people point to the assistance given to our farmers in drought areas. But let me remind honourable senators of the fund that is created from the toll of 1 per cent on every bushel of grain we sell. It was intended that the fund should become strong enough to take care of all the demands for assistance by farmers in dry areas, and if nothing unforseen happens and we are able to harvest the main part of the crop this year, the contributions paid into this fund by the producers themselves may be sufficiently large to meet all demands and perhaps leave a reserve for future years.

At present our cattle are prevented from being shipped to the United States by an embargo imposed by the authorities in that country. But honourable senators will recall that not so long ago it was the Canadian government itself which prohibited exportation of cattle over the border. What was the purpose of that embargo but to make meat cheaper for the people of Canada? Producers in Saskatchewan and Alberta were the chief sufferers when cattle on Canadian markets sold at ten and eleven cents a pound, live weight, in contrast to the prices of thirty and thirty-two cents a pound just across the line. There again the whole of Canada benefited at our expense. I say that if the cattle-producing West had been represented in parliament by eighty members, that sort of thing would never have happened, for then the government of the day would have known it was politically unwise to permit it to happen. This is just another instance of our suffering just because of our lack of political strength.

It is said that while the present American embargo remains in effect the price of our cattle must drop. But for the life of me I cannot understand why the slaughtering and burying of a thousand head of cattle should have that effect. I have great hopes that eventually the Americans will open their market to us again, though I realize they will wait until it pleases them to do so.

Hon. Mr. Barbour: The packers are responsible for reducing the price.

Hon. Mr. Horner: Of course, the packers will be anxious to sell all the meat they had on hand. I am afraid that the floor price is going to be a packers' floor price. We have had too much of that in the past.

I am sorry that the leader of the government (Hon. Mr. Robertson) is not present this afternoon, for I should like to tell him that I am not at all satisfied with his reply to the complaint made by my leader (Hon. Mr. Haig) about the effect of the present taxation. The reply made by the leader of the government was to the effect that the people apparently approved of the taxation, since they voted for the government. That was his main argument. Well, I would remind him of the results in elections that have been held recently. I protest against participation by honourable senators in election campaigns, but I hope that the member of this chamber who was organizer in the last Ontario election continues in that office. Where in Canada have the people recently shown that they are satisfied with the present taxes? I fail to see any evidence of this. I have here an article that originally appeared in the Edmonton *Journal* and was published in the Ottawa *Journal*. It reads:

> Quite a surprise resulted from a recent investigation by the U.S. census bureau to determine which is the richest city in the United States—in terms, that is, of the average per capita income of its inhabitants.
>
> Most people would probably guess that New York or booming Los Angeles would head the list, but actually neither of the two is even in the top ten. The winner is Washington, D.C. The income of the average family in the U.S. capital is $3,925, while 38 per cent of the families have incomes exceeding $4,750.
>
> Since Washington is a strictly official city, with almost no industries, this is one more proof that government is becoming the biggest and most flourishing business in the modern world, at the expense of all taxpayers.
>
> Fifty years ago the masses were exploited by big business. Today the masses and all business are exploited by all taxing authorities, whose voracious appetites recognize no limits. They will learn in time that even prosperity can be taxed to death.

I think that is about the point we have reached in this country, because for some time our taxes have been so high that they interfere with production.

The leader of the government said, and I agree with him, that surely a well managed business should endeavour not only to balance its books but to have a surplus. But when, in order to create a financial surplus, you do things that cause your production to fall, I consider that you are acting unwisely. The average Canadian is disturbed about all this loose money that is floating around. If you want to see how some of it is being

spent you need only go down the Montreal road and look at the immense office building of the Central Mortgage and Housing Corporation.

Hon. Mr. Reid: A permanent edifice.

Hon. Mr. Horner: Yes, a permanent edifice. And then we have the Prime Minister's house, built without a tender. When there is a surplus there is extravagant spending all down the line: when labour is taxed heavily, men refuse to work overtime. In England I am told there is an arrangement whereby labour is given a reduction in taxes in lieu of overtime pay.

One thing I wish to mention in connection with the survival of any country—and it may apply to Canada—is the need for willingness on the part of the people to work. We all know the seriousness of the world situation today, and for that reason I think the government should spare no effort to avoid strikes and pay increases, and to bring about greater production. I recently had an interesting conversation with an employer of labour who had visited Great Britain, France and Germany. His prediction was that even though Germany had been defeated she would become the greatest nation in the world, just because her people were willing to work. This man went amongst the workers on scaffolds and elsewhere, and told of seeing men working ten hours a day, and how those who were able bodied returned to work in the evening without further compensation. This is what men who are interested in building their nation will do. He went to France and to England, where he said men took a week to do what the Germans were doing in two days. There is no hope for a nation whose labour is not doing its very best.

I should like for a moment to criticize the government for its lack of wisdom in guaranteeing loans totalling $12 million, for the building in the Quebec shipyards of ships to be used by a Chinese organization called Ming Sung. The ships are gone, and the $12 million remains unpaid at the Canadian banks. The conduct of the government in this regard was nothing but sheer carelessness.

The honourable senator from Charlotte (Hon. Mr. Doone) in his recent remarks praised the government for its prompt action in stamping out the foot-and-mouth disease in Saskatchewan. I would like to offer some criticism of the lack of promptness in dealing with that problem. While there does not now seem to be any indication that the disease will spread further, honourable senators may have read in the press that various communities in the United States have cracked a quarantine on certain shipments of Canadian cattle. This stock must have come from the Regina area, or such action would not have been taken. But the whole matter seems to have been badly handled. I used to have a book on the disease, and I know that all the books on horse raising contain pictures of animals suffering from it. Surely the government could have diagnosed this trouble sooner than it did. I understand now that there is to be an interprovincial embargo placed against the shipment of meat. That seems quite unnecessary, because with proper inspection of the animals there need be no concern as to the quality of the meat.

Now honourable senators, in these few remarks I have placed before you as best I can, the position of Saskatchewan. We in that province are anxious to do our part in relieving the common plight of the world today. I am still of the opinion that the supplying of food is a means by which we may avoid a further war. I believe that we should go right on producing, and that that portion of our products which we do not need should be given to those whose need is great.

Some Hon. Senators: Hear, hear.

Hon. Mr. Burchill: Honourable senators, I move the adjournment of the debate.

The motion of Hon. Mr. Burchill was agreed to, and the debate was adjourned.

APPROPRIATION BILL No. 1

FIRST READING

A message was received from the House of Commons with Bill 64, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1953.

The bill was read the first time.

SECOND READING

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

Hon. A. K. Hugessen: With leave of the Senate, I would move second reading now. This is the interim supply bill to which I referred at the opening of the sitting this afternoon. Have I the permission of the house to proceed with the explanation?

Some Hon. Senators: Yes.

Hon. Mr. Haig: Will the understanding which has applied to such bills as this in the past also apply to this one?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Haig: Very well.

Hon. Mr. Hugessen: This bill has just been passed in the other place, and I am advised that there are now a few copies available on the Table.

Hon. Mr. Haig: Do I understand that it is for only a portion of the general estimates?

Hon. Mr. Hugessen: Yes. This is the usual bill which comes to us about this time of the year, making provision for interim supply for a certain period in the new financial year, commencing April 1, 1952, and would permit of the more immediate obligations of the various departments being taken care of, pending passage of the final supply bill at the end of the session.

Section 2 of the bill makes provision for one-sixth of the estimates for all the services, and is intended to cover the requirements of this country for the two months of April and May. As honourable senators will recall from the estimates which were placed before us some time ago, the total estimate for the year was $3,160,000,000. One-sixth of that amount is $526 million odd, as asked for in section 2 of the bill represents the cost of services for the next two months. Additional proportions requested for certain special items are necessitated by the seasonal and sessional nature of the services affected. In no case, however, is the total amount of any item being asked for.

As I said, the first amount asked for under this bill, in section 2, is $526 millions odd, which is one-sixth of the whole estimates for the year.

While most types of expenditure run more or less evenly throughout the year, there are a few items which require in a given period more than the usual one-sixth allotted under this measure. These are the special expenditures which are listed in Schedules A, B, C and D attached to the bill, and which are provided for under sections 3, 4, 5, and 6 respectively. Perhaps the house would like a short explanation of each of these sections.

Section 3 of the bill would grant an additional sum of $2,395,000; that is, five-twelfths of the item set forth in Schedule A. This amount is required because of the heavier expenditure early in the fiscal year for freight assistance on western feed grains.

Section 4 provides $526,000, or one-third of the two items set forth in Schedule B. Those items are: health of animals, and the Canadian International Trade Fair. The first of these items requires an additional expenditure to ensure that owners of destroyed animals are compensated promptly for their loss, especially during the current outbreak of foot-and-mouth disease. With regard to the Canadian International Trade Fair item, and the early date of the fair, which is to be held in Toronto from June 2 to 13, requires that provision be made for the greater part of the funds necessary to cover the expenses of that fair.

Section 5 is to provide $340,000, or one-sixth of the amount of the three items listed in Schedule C. These items cover the principal administrative costs of the Senate and the House of Commons for the coming year. This amount is required, of course, because parliament is sitting early in the year and the major part of the expenditure is necessary during the first few months of the current financial year.

Section 6 asks for approximately $257,000, or one-twelfth of the amount of the three items listed under Schedule D, which relate to the departments of Citizenship and Immigration and of Trade and Commerce. The additional amount constituting the first of these items is required because of the difficulty of financing distant overseas offices on the same basis as local expenditures, and the fact that accounts from these offices are usually a month in arrears in arriving in Canada. With regard to the Trade and Commerce items, additional proportions are needed since the inspection services carry on the major part of their work during the spring and summer months, when inspectors are able to travel freely.

In reply to a remark which my honourable friend the leader on the other side (Hon. Mr. Haig) made a few minutes ago, the passage of this interim supply bill, should the house see fit to approve it, does not preclude any honourable senator from questioning any item in the estimates which will come up for consideration from time to time throughout the remainder of the session.

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

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, now. I so move.

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

The Senate adjourned until Monday, March 31, at 8 p.m.

THE SENATE

Monday, March 31, 1952.

The Senate met at 8 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill E-5, an Act for the relief of Nathalie Olga Marianne Pervouchine Petrik.

Bill F-5, an Act for the relief of Lily Stall Wax.

Bill G-5, an Act for the relief of Charles William Silver.

Bill H-5, an Act for the relief of Hilda Irene Gordon Diamond.

Bill I-5, an Act for the relief of Jochwet Freiberg Rosenstein.

Bill J-5, an Act for the relief of Mabel Elizabeth Jones McKay.

Bill K-5, an Act for the relief of Dorothy Esme Graham Snell.

Bill L-5, an Act for the relief of Olive Winifred Thistle Gour.

Bill M-5, an Act for the relief of Sergius Messier.

Bill N-5, an Act for the relief of Samuel Long Adamson.

The bills were read the first time.

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Haig: With leave, at the next sitting.

SECOND READINGS

Hon. Mr. Haig, on behalf of the Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill G-4, an Act for the relief of Arline Silverman Cohen.

Bill H-4, an Act for the relief of Doris Jane Aitchison Birchenough.

Bill I-4, an Act for the relief of Margaret Lois Long Fordham.

Bill J-4, an Act for the relief of Eileen Roberta Lynn Walker.

Bill K-4, an Act for the relief of Claire Greenberg Chilcig.

Bill L-4, an Act for the relief of Rose Godfrey Slutsky.

Bill M-4, an Act for the relief of Eva Lubin Greenfield.

Bill N-4, an Act for the relief of Gladys Cecilia Fisher Waugh.

Bill O-4, an Act for the relief of Sheila Ruth Coppelman Mitmaker, otherwise known as Sheila Ruth Coppelman Mintz.

Bill P-4, an Act for the relief of Ada Vera Higgins Montgomery.

Bill Q-4, an Act for the relief of Priscilla Theresa Marie Laurin Minyaska.

Bill R-4, an Act for the relief of Marie Dora Adrienne Menard Chartrand.

Bill S-4, an Act for the relief of Bridget Chiasson Musseau.

Bill T-4, an Act for the relief of Emilia Bigelis Kozakiewicz.

Bill U-4, an Act for the relief of Dora Katz Schneiderman.

Bill V-4, an Act for the relief of Joseph Lionel Bibeau.

Bill W-4, an Act for the relief of Helene Philomena Schenker Champ-Renaud.

Bill X-4, an Act for the relief of Mary Finkelstein Fogel.

Bill Y-4, an Act for the relief of Gregorij Sergeij Anker-Jakerov.

Bill Z-4, an Act for the relief of Florence Margaret Parsonage Velleman.

Bill A-5, an Act for the relief of Georgine Jun Ruzicka.

Bill B-5, an Act for the relief of Jean (Janek) Mazur.

Bill C-5, an Act for the relief of Giuseppa Manuri Bartucci.

Bill D-5, an Act for the relief of Joseph Edgar Eaton.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Haig: With leave, I move that the bills be now read the third time.

Hon. Mr. Quinn: On division.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Stambaugh presented Bill O-5, an Act respecting the Board of Elders of the Canadian District of the Moravian Church of America.

The bill was read the first time.

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

Hon. Mr. Stambaugh: Wednesday next.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Friday, March 28, consideration of His Excellency the Governor General's Speech and the motion of the Hon. Mr. Howden for an Address in reply thereto.

Hon. G. P. Burchill: Honourable senators, it is not my intention to make any extended contribution to this debate, but before the vote is taken I should like to make a few remarks on a subject which is particularly urgent in the province which I have the honour to represent.

Before I do that, however, I should like to congratulate the previous speakers in this debate. I think their addresses have been informative, interesting and eloquent. In fact, it seems to me that the whole debate so far has been on a very high level and has maintained the reputation for which this chamber is noted. I particularly enjoyed the speech of the senator from Ottawa (Hon. Mr. Lambert), who gave us an enlightening sketch of the days before yesterday, the days of Sir Robert Borden. I also liked the speech of the senator from Ponteix (Hon. Mr. Marcotte), especially his remarks on the derivation of the word "Dominion." The honourable member from Medicine Hat (Hon. Mr. Gershaw) made a very able contribution to the debate. As for my friend from the Maritime Provinces, the honourable senator from Milford-Hants (Hon. Mr. Hawkins), he and I have been associated in the lumber business of the east for a good many years, we have co-operated in a good cause, and I know something of the contribution that he has made to the industry in the Maritimes. He made a splendid address the other afternoon and "did himself proud." Also I wish to mention my honourable friend from Charlotte (Hon. Mr. Doone), from my own province of New Brunswick. It is a good many years now since I first met him—I think it was back in 1906. We have been friends ever since, and I feel sure everyone will agree with me when I say that, like good wine, he improves with age. Certainly everyone who heard his very eloquent remarks on Wednesday last will concede that he possesses great eloquence and power as a public speaker.

Many of the participants in the debate have referred, and quite properly, to the fact that for the first time since confederation we now have a Canadian as Governor General. Because of this new departure we really are writing a new chapter in our country's history at this session of parliament. With the others who have spoken I share pride in the fact that we have so developed as a nation that our ability to manage our own affairs is generally recognized. Perhaps the chief credit for this is due to the heroic actions of Canada's warriors in the two world wars. Of course, our industrial growth and development here in Canada have had much to do with our improved national status. And it should be a matter of pride for us all that we have a Canadian who, by his training, his ability and his record is qualified for the high post of Governor General. I do not go along with those, if there are any, who see in his appointment any lessening of the connection with Britain. I do not think that I am any less a Canadian if I say, quite frankly and openly, that I have deep admiration and veneration for the great qualities of the British people. It has been these qualities down through the ages, as exhibited at Runnymede and elsewhere, that have made the British a free people. This constitutional government of ours, our justice, and our liberty, were developed not by us alone here in Canada, but by the British peoples as a whole.

The culmination of those events was reached, perhaps, during the recent war, when British endurance and heroism rallied to the historic words of that great Englishman, Winston Churchill, who said:

> Let us therefore brace ourselves to our duties, and so bear ourselves, that if the British Empire and its Commonwealth last for a thousand years, men will say, "This was their finest hour."

Honourable senators, the spirit which inspired these words and the debt which free men the world over owe to Britain is something which Canada in her growing strength may well cherish and make use of. The pathos and tragedy of it all is that when a visitor from this continent today goes to England and then to Europe, he comes back wondering who won the war.

The important thing to me about the selection of a Governor General for Canada is his fitness as a true representative of the Crown above all parties in the state, regardless of which British Commonwealth country claims him as a son.

Some Hon. Senators: Hear, hear.

Hon. Mr. Burchill: I should like now to pass on to a subject which is of great importance to the province of New Brunswick, namely, the shortage of electrical energy. I make no apology, honourable senators, for discussing it in its relationship to the St. Lawrence waterway project. That great national undertaking is no doubt sound and worthy of support, but I have yet to discover how it will help to solve the problems of the Maritime Provinces. I am not discussing it in its relation to or its effect upon

the great national ports of Halifax and Saint John, but rather in relation to the problem of scarcity of electrical energy in New Brunswick. The shortage of power in that province has for some years been such that energy could not be supplied to any more industries than the province now has. This situation was clearly shown during the years 1940 to 1945, when it was inexpedient for new industries to locate in New Brunswick; indeed, they were bound to go anywhere else, simply because of our inability to furnish them with power.

The New Brunswick Power Commission, which administers and distributes power in New Brunswick depends primarily on energy produced by burning coal at three power stations: Minto, producing 46,000 horsepower; Saint John, 17,500, and Chatham 12,500. A new site is being developed on the Tobique river—which runs into the Saint John—by means of which an additional 20,000 horsepower will be generated.

These stations will take care of our domestic demands for the next four or five years, but will leave no margin for any appreciable industrial expansion. The long-term plan which the commission have prepared after a lot of work, is based on the integration of steam coal plants and hydro plants, each employed as water-flow circumstances dictate, to secure the greatest amount of power at the least possible cost.

The New Brunswick Resources Development Board, of which the honourable senator from Victoria-Carleton (Hon. Mr. Pirie) is a member, and which is under the chairmanship of a very able engineer, Dr. Harry J. Rowley, who was brought to the province seven or eight years ago, has been making a most exhaustive study of the power possibilities of New Brunswick and has come to certain definite conclusions and recommendations which it has submitted to the government, and which the government have adopted.

In brief, these recommendations are that the Saint John River, which drains a watershed of 26,000 square miles, offers the best possibility for cheap power for the province. Engineers have determined that several developments, each of 50,000 horsepower, can take place on the Saint John River provided storage facilities can be obtained outside the province of New Brunswick. That is where the rub is, because, unfortunately the watershed of the River Saint John lies largely in the State of Maine and the province of Quebec—principally in Maine. The Resources Development Board through the New Brunswick government, have made representations to the International Joint Commission. As honourable senators know, that commission was created in 1909 by virtue of a treaty between the United States and Great Britain, and as it controls the boundary waters between Canada and the United States, it was necessary to furnish it with a full and complete statement of the situation, accompanied by a request that it should investigate the storage possibilities and recommend their development. These representations were made in October 1950 by the New Brunswick government; and what is known as an engineering field force has been studying them ever since. It consists of American engineers working together, and engineers of the Canadian government working in conjunction with engineers from the province of New Brunswick and the chairman of the New Brunswick Resources development Board.

I understand that a preliminary report has been made, and it is expected that the final report will be presented in June. The reports will be remitted from the field engineering force to the engineering board of the International Joint Commission, and from that board to the commission itself. The federal government have been kept in touch with these proceedings, and have been most co-operative; they have concurred in everything which has been done. The Department of External Affairs has been in correspondence with our people in New Brunswick, and is working, I believe, to the same end. Tonight I plead with the government to do everything they possibly can to further the project and bring it into being as quickly as possible. I might go so far as to say it is New Brunswick's only hope. The people of the province are most anxious that everything be done to support our case and speed up a recommendation from the International Joint Commission.

The economy of New Brunswick is built on wood. Of its total area of 18,000,000 acres, 80 per cent is covered with forest. The seven pulp and paper mills within our borders used last year 1,216,000 cords of wood; but unfortunately 700,000 cords were exported beyond Canada, and another 443,000 cords went to mills in other provinces. I should add that between two hundred and two hundred and fifty thousand cords came into the province from Quebec. Also we exported from fifty to one hundred thousand cords of pit props.

This, as honourable senators will realize, is a tragic state of affairs. Without adequate power and manufacturing facilities we cannot

process our raw products. The promising young men who have been educated and taken degrees at our universities must find employment outside New Brunswick, because there is no employment for them in their own province. Honourable senators, I put it to you tonight, I put it to the government, I put it to the bar of public opinion, that New Brunswick is deserving of some consideration. I say that if a national project such as the St. Lawrence waterway can be undertaken at the public expense, the expenditure of public money on a provincial power development which will be self-liquidated over the years is equally justifiable. I notice that the honourable senator who is chairman of the Finance Committee (Hon. Mr. Crerar) has left the chamber. I am sorry he has gone because I am sure he would agree that it is as fair and economically sound to spend money on the project I have described, which will provide much needed employment to the people of our province, as it is to provide funds for so vast an undertaking as the St. Lawrence waterway.

Hon. Mr. Haig: Will the honourable senator from Northumberland (Hon. Mr. Burchill), before he leaves this subject, permit a question? Maybe I am dense, but I do not yet know what he wants us to do. Just what is needed on that Saint John river to develop power, and how can we assist in that development?

Hon. Mr. Burchill: The development of the Saint John river is dependent upon storage facilities in the State of Maine. I do not know what the cost will amount to, but it will be beyond the resources of New Brunswick, so we are looking to the federal treasury to aid in financing the necessary facilities. Does that clear up the point?

Hon. Mr. Haig: Yes, that is what I wanted to know.

Hon. Mr. Lambert: My honourable friend has made no mention of power being derived from the tidal waters of Passamaquoddy Bay. Has anything been done about that?

Hon. Mr. Burchill: I did not mention that because, as I understand it, the engineering staff of the New Brunswick Resources Development Board have decided that the Saint John River Development project has priority.

Hon. Mr. Lambert: The other one has been dismissed?

Hon. Mr. Burchill: I do not know what its status is, but I think it is agreed that the St. John River Development project has priority.

The management of public affairs could not be much more difficult than under present conditions. In saying this I am thinking of the Government of Canada, and I sympathize with the government, because it is constantly under pressure to spend money for almost every conceivable purpose and criticized at the same time is because taxes are too high. It is not popular to impose heavy taxes, and I have no doubt that the government is exploring every possible way to avoid making the burden any heavier than necessary to carry on the defence program and the public services of the country on a level demanded by public opinion and all parties in opposition.

I can see the danger of too high taxes to the industrial life of the country, and I feel quite sure that this knowledge is shared by the Minister of Finance, who has a heavy responsibility. I have every consideration for the minister; he is doing a very difficult job. When the honourable leader opposite (Hon. Mr. Haig) rises to speak in this chamber he generally makes a worth-while contribution to our work. I always enjoy listening to him, but I feel bound to say that I do not think he was on sound ground when, in taking part in this debate, he criticized the Minister of Finance for having a larger surplus than he counted on. I do not think the honourable gentleman from Winnipeg proved quite fair to himself with his further argument. Mr. Micawber's old theory about the difference betwen happiness and misery is just as true today as in the days of Dickens, both for nations and for individuals, and I think Mr. Abbott is to be commended in this case for being conservative in the right way.

As to finances, I wish to confine myself to a suggestion which I hope will be regarded as helpful. I think that government expenditures—and I am thinking particularly of defence expenditures—should be carefully screened, in order to guard against the tendency to become too extravagant. I know that ministers are advised by technical men who sometimes make recommendations without giving too much consideration of the cost factor, and ministers who are not trained technicians must find it difficult at times to make the right decisions and recommendations. Even doctors, as I think my honourable friend from Medicine Hat (Hon. Mr. Gershaw) will admit, sometimes disagree on a diagnosis. I have had some experience in dealing with technical advisers, and not being technically trained I have had difficulty in making decisions.

What brings me to this point is something that occurred recently at a certain airport. This airport had been purchasing its milk from a local co-operative creamery. For some

months pasteurized milk was supplied, but the airport authorities insisted upon homogenized milk, and as a result an homogenizer and a milk filtering system were installed. Last year a new pasteurizing machine and the most modern of automatic bottle washers were added. Then suddenly this creamery, which distributes approximately 1,500 quarts of milk a day, had its airport contract cancelled. It was claimed that the bacteria count of the milk was too high. In any event, powdered milk was substituted, and new apparatus and equipment were installed to produce the milk powder. I do not know what this cost but it certainly was not done for nothing.

Hon. Mr. Pirie: Where does the powdered milk come from?

Hon. Mr. Burchill: I do not know, but it does not come from New Brunswick anyway. This co-operative creamery, in its struggle to become established, has had the assistance of the provincial government of New Brunswick. Its existence means a lot to the farmers of the community. Incidentally, it is still selling milk to the homes of the airport personnel. It is difficult to understand why it was necessary for the airport authorities to cancel the contract and bring in powdered milk. I am not a doctor, so I do not know whether the right thing was done; but I am wondering whether it was necessary to cancel the contract and go to the expense of installing new equipment. I mention this because it makes me wonder if our defence expenditures could not be screened so that our dollars could be watched a little bit more closely.

Honourable senators, I have spoken a little longer than I contemplated, but before I resume my seat I want to join with my honourable friend, the leader of the opposition, in the sentiments he expressed the other day when, in discussing the unhappy world conditions and the continued threat of war, he referred to the need for men and nations to practise the code of the golden rule. I came across a story the other day in a book by Fulton Oursler, in which he told of an elephant, "Bozo", which had become mad and unmanageable, and had attacked its keeper on three occasions. Finally it was adjudged "dangerous", and was sentenced to be shot. The firing squad was all ready to do the job, when a smallish man came along and asked the keeper's permission to enter the cage. The keeper declined, saying the animal would destroy anyone who came within its reach. But the stranger persisted, and handed his card to the keeper, together with a written release from indemnity if any damage occurred. The stranger was then allowed to enter the cage. As soon as he got inside, the elephant rushed at him, as if to attack; but when the man spoke a few words in a gentle voice, and in a language unknown to the keeper, the whole atmosphere suddenly changed, and the animal became quite docile and followed him around quietly. Shortly afterwards the man came out and said to the keeper: "The elephant is not mad any longer. In fact he is perfectly all right now. You see, he did not understand you. He comes from India, and he recognized the words I spoke to him." After the stranger had gone the keeper looked at the card, and saw that it bore the name "Rudyard Kipling".

In about 1900, at the time of the Boer war, Rudyard Kipling wrote a poem called "The Absent Minded Beggar," the refrain of which was: "Pay, pay, pay." Well, this old world has been paying for wars ever since, in more ways than one. Perhaps some day we shall find a language that peoples everywhere will understand, a language through which statesmen of all nations will be able to reach men's hearts and remove distrust and suspicion. If that happens, there will be peace; but in the meantime we must arm for the defence of our lives and our hearths—bearing in mind, honourable senators, in these days of high tension, our responsibility as leaders of the state.

The Address was adopted.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators are aware that the main reason for our meeting this evening was to facilitate, if possible, the passage of supply. The interim supply bill was passed by the Senate on Friday and is awaiting Royal Assent. It is hoped that a further supply bill will come over to us from the other house this evening. In the circumstances I see no alternative but to move that we adjourn during pleasure, to reassemble at the call of the bell.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. Robertson: Honourable senators are perhaps aware that discussion on the supply bill in the other house is still going on; therefore, there is little likelihood of this measure reaching the Senate tonight.

Under the circumstances, I move that this house do now adjourn.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 1, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Acting Speaker informed the Senate that he had received a communication from The Assistant Secretary to the Governor General acquainting him that the Honourable Patrick Kerwin, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber today, at 5 p.m., for the purpose of giving Royal Assent to certain bills.

APPROPRIATION BILL NO. 2

FIRST READING

A message was received from the House of Commons with Bill 94, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: With leave of the Senate, I move that the bill be read the second time now.

Honourable senators will recall that the interim supply bill was passed here on Friday last. The bill now before us covers certain supplementary estimates for the public service for the financial year which ended yesterday. The amounts of money to be voted under the bill are in addition to those originally voted, and are now required because of various circumstances which could not have been readily foreseen.

The total amount to be voted under the bill is $246,542,813. I shall not attempt to explain each of the hundred-odd items set forth, but shall content myself by referring to some six items constituting in amount about 86 per cent of the total, and perhaps by making brief reference to a few of the smaller items. If any questions are asked I shall do my best to answer them.

I may say that I doubt whether it would be possible to have any detailed discussion of many items in the time that is at our disposal in the present circumstances. Undoubtedly certain aspects of some items are of very great and more than passing interest, and I probably would not be in a position to give full information about them. However, I did secure from the Department of Finance an undertaking that if our Finance Committee should in its wisdom wish any further explanations than I am able to give, departmental officers will be only too pleased to answer questions and furnish information. While of course most of these supplementary estimates refer to specific items for the last fiscal year, most of them are of a continuing nature.

The items that are outstanding in amount are Nos. 584, 585 and 586, totalling roughly $103 million. These provide for government contributions to the Civil Service Superannuation Fund, a deficit having been revealed by investigations which were made. Honourable senators will probably recall that last year there was an item with respect to a very material deficit in the fund. Yesterday I tabled a report, copies of which are available for honourable senators, of the operations of the Superannuation Fund over a period back as far, I think, as 1931, and up to and including December 31, 1947. The report set out on one side the liability of the fund under existing circumstances, and on the other side the actual cash reserves, and indicated that there was a deficit of some $250 million.

Honourable senators may recall that the matter was considered last year, and it was determined that when circumstances permitted, various contributions would be made so as ultimately to put the fund on a sound actuarial basis. The sum of $75 million was appropriated for that purpose, and Item 586 now provides:

> . . . for the transfer to the Civil Service Superannuation Account of the second instalment of a special government contribution of a portion of the amount by which the estimated liabilities exceed the balance of the account, $75,000,000.

That, I would point out, is the second $75 million to be applied on the old balance.

It is apparent that several factors contributed to this deficit; and the reason it accumulated in the intervening period, as shown by the report which I tabled yesterday covering the period from 1931 to the end of 1947, is that these factors were not taken into account in the matter of contributions. One such factor is the steadily increasing salary scale, and the fact that pension payments are based on average income over the past five or ten years. It is quite obvious that if the increase in the rates of pay was not taken into account and the necessary adjustments made, a deficit was bound to result.

Hon. Mr. Euler: May I ask a question on that point?

Hon. Mr. Robertson: Certainly.

Hon. Mr. Euler: After the transfer has been made to this account, what deficit will remain?

Hon. Mr. Robertson: As far as I am able to estimate it, as at the end of December 1947 there was a deficit of about $250 million. The item before us refers to the transfer of a second $75 million, and if my calculations are right there will remain in the old account a deficit of some $100 million.

Hon. Mr. Haig: I understand that the superannuation is based on the average salary over the past five years.

Hon. Mr. Robertson: I think so, but I am not sure. As salaries have gone up the obligations of the fund increased, while the contributions by the government and the individual remained on the original basis.

A further factor which may well have some bearing on this problem is an increase in life expectancy which was not anticipated when the original basis was determined. Further, I have no doubt that the interest earnings on the fund are now considerably less than originally contemplated.

Hon. Mr. Haig: That is partly covered here.

Hon. Mr. Robertson: Yes.

So this particular estimate covers a provision of $75,000,000 towards meeting that old deficiency. Honourable senators will note that under item 585 there is a further amount of $23,000,000 by way of contribution to the superannuation fund in respect of additional liability consequent upon the salary increases effective December 1, 1951. This represents an attempt to deal with additional liabilities as they arise. Apart from what outlays may be incurred in respect of the increased salary scale, a further liability falls on the superannuation fund.

Hon. Mr. Euler: The deficit should not be increased any further.

Hon. Mr. Robertson: No, and subsequent contributions as and when circumstances permit would be aimed at putting the fund on a self-sustaining basis. To answer my honourable friend's question, I would say that the deficit is in the neighbourhood of $100,000,000.

Hon. Mr. Roebuck: Why do we not pay off the entire deficit? Why make a limitation of $75,000,000 and leave $100,000,000 outstanding?

Hon. Mr. Robertson: I suppose the idea was that if the government undertook to pay the deficit from current revenues without having the necessary funds, they would have to borrow. Apparently it was thought to be easier and simpler financing to adopt the policy of ensuring that the old deficit was not increased, and of gradually reducing that deficit, the amount of which, as the report indicates, was determined as at the end of 1947. The question is quite a technical one, and I think it could well be given further consideration by the Finance Committee. I have done my best to explain the matter as I understand it, but it is quite complex and involves very large sums of money, not only in respect of the civil service but of the armed forces as well. I repeat that it will require more consideration. Honourable senators will recall that last year there was a good deal of discussion about changing the terms of the annuity legislation.

Hon. Mr. Reid: May I ask whether, if these moneys are paid, all present and contingent liabilities will be met? Will the fund then be solvent, and can it be carried on without any further liability? Also, over how many years do these arrears extend?

Hon. Mr. Robertson: A special commission of actuaries was assigned the responsibility of making a report on this matter to the Minister of Finance. I have not at hand a copy of the report, and I speak from memory, but I believe that it was submitted to the Minister last August. In any event, it was in the light of that report that parliament appropriated the first $75,000,000.

Hon. Mr. Euler: No actual cash payment is involved, merely a bookkeeping transfer to this account of a portion of the surplus.

Hon. Mr. Robertson: Yes, but if there were no surplus it would be necessary to borrow.

Hon. Mr. Euler: Quite so. But there is a surplus.

Hon. Mr. Robertson: Item No. 584 is to provide slightly less than $5,000,000 for a government contribution to the superannuation fund in an amount equal to the estimated current and arrears payments of individual contributors in the previous fiscal year. As I understand it, that is a yearly item. To begin with it is only an estimate, and apparently is required to take care of the amount which the government must pay into the fund.

So there are three items: a yearly of $5 million, one of $23 million to take care of the incidence of increased salaries, and a third one of $75 million. These stand against the outstanding deficit of $250 million.

Hon. Mr. Roebuck: As I understand it, the fund is not bankrupt at all. I suppose that in the judgment of the actuaries it is not sufficient to meet its obligations as the years go on.

Hon. Mr. Robertson: That is right.

Hon. Mr. Roebuck: What is the total amount of money in the fund now?

Hon. Mr. Robertson: I cannot answer that question today; I believe that, according to the report which I tabled yesterday, the total was roughly about $85 million at the end of 1947. I recall that the estimated liability at that time was in the vicinity of $330 million, and the actual cash in the fund about $80 million.

Hon. Mr. Barbour: My understanding is that the civil servants pay into the fund on a percentage basis, and that the amount contributed by them is matched by the government. As the salaries of civil servants increase would not their contributions increase likewise, and if so, would that not take care of this deficit?

Hon. Mr. Robertson: I know that is the basis upon which the contribution is being made now. As I recall from my brief reading of the report, if the advance in the scale of salaries was reasonably regular over the whole period, the situation would probably take care of itself automatically as far as salary increases are concerned. The report indicates, I think, that for some time after 1931 there was no material change in the salary basis, and that this change came, as it were, at the very end of the period. This meant that the liability set up under the increased salaries was not offset by the contributions. In other words, there was a long period in which there was no increased contribution on that basis at all.

Hon. Mr. Roebuck: In view of the fact that this is a sort of partnership between the civil servants and the government, and the combined contributions of both are insufficient to carry the obligation, one might reasonably ask whether the entire burden of this deficit should fall upon government, or whether the civil servants should contribute towards it?

Hon. Mr. Quinn: There is no way of getting it.

Hon. Mr. Roebuck: Why not?

Hon. Mr. Quinn: Unless you make an extra levy.

Hon. Mr. Robertson: I do not think I can answer my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck). His question strengthens my argument that this whole involved question might well be the subject of consideration by the Finance Committee, for the questions of my honourable friends are getting most difficult for me to answer.

Hon. Mr. Euler: It would not be made retroactive; but in future the civil servants would bear their share of the contribution.

Hon. Mr. Isnor: As I understand it, the item of $4,900,000 is to take care of arrears of individual contributors. Would the honourable leader explain just what is meant by the word "arrears"?

Hon. Mr. Robertson: I can get some information on that point later. My general impression is that the amount of the government's contribution could not be determined when the original estimates were made, because both the scale of salaries and number of those employed would be two factors that would enter with the calculation on the yearly basis. For instance, if there had been no increase in number employed or in the recompense paid for 1951, this item probably would not appear at all. It is my understanding that this is the amount of contribution the government had to make by reason of the higher scale of salaries.

Hon. Mr. Isnor: That is not my understanding of the item from reading it. It indicates that the arrears of individual contributors during the past year may be shared. That is what I cannot understand.

Hon. Mr. Robertson: Perhaps I can answer that question in a few minutes.

Hon. Mr. Roebuck: As my honourable colleague from Kingston (Hon. Mr. Davies) has just said to me, when there is an increase in salaries there is an increase in contribution on a percentage basis. Why, then, should an increase in salaries cause an increase in the deficit from an actuarial standpoint?

Hon. Mr. Robertson: Because it automatically raises the basis of compensation. Even supposing, for the sake of argument. that a salary scale increases regularly every year, there is a lag in determining the amount of pension, which is based on salary during the last five years of employment. But the lag is even greater if the salary is constant for some time and then suddenly jumps to a much higher level. In this case, the actuarial authorities seem to indicate that a further sum of $23 million is required in addition to the extra contributions from both the government and the civil servants. In other words, it is an actuarial conclusion.

In reply to the question raised a few minutes ago by the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), I am advised that in the past—I assume that it was some time ago—the contributions made by the government were not equal to those made by civil servants; but that the government plans to match those contributions in

the future. From the little reading I have made of the report, I am sure honourable senators would find that a discussion based on it would be most illuminating.

Hon. Mr. Roebuck: Are copies still available?

Hon. Mr. Robertson: Yes. I tabled it yesterday, and copies are available.

There are also specific contributions, for instance, to the Royal Canadian Mounted Police, who apparently are treated separately. Specific increases are provided for here.

The next largest item is No. 608, which is:

To provide for the transfer to the Old Age Security Fund of the amount by which the pension payments from the fund exceed the receipts into the fund during the fiscal year 1951-52, which is estimated at $57,000,000.

Honourable senators will recall that under the Act setting up this fund there were three sources of revenue, each based on taxes at the rate of 2 per cent. While it is estimated that the sum total of the revenue from these sources in a year will be sufficient to take care of the liability, some of the revenue will not accrue to the fund in strict mathematical proportion to the obligations, and it has been understood from the first that there would have to be a temporary advance to take care of the deficit until such time as the full revenues are coming in. This item is an advance rather than an expenditure.

I fear that I was perhaps only partly right in the answer I gave to my honourable friend from Halifax-Dartmouth (Hon. Mr. Isnor), with respect to item 584. This item is:

To provide for a government contribution to the Superannuation Fund in an amount equal to the estimated current and arrears payments of individual contributors in the previous fiscal year—Further amount required, $4,943,977.

I am advised that in the past when civil servants became permanent they were required to pay a contribution for their service as temporaries if they wished that temporary service to count in qualifying them for pension. But the government did not match any contributions made by employees in those circumstances. The purpose of this item 584 is to enable the government to match such contributions for prior service. The minister said that the government planned to make contributions in the future as actuaries advised it to do.

Hon. Mr. Haig: That is correct.

Hon. Mr. Robertson: Item 640, for slightly more than $15 million, is the usual further supplementary vote to cover the operating deficit of the Canadian National Railways arising in the calendar year 1951.

Hon. Mr. Haig: How much does that make the deficit in 1951?

Hon. Mr. Robertson: I think that is the amount of the deficit on current account. Honourable senators know that a deficit occurs each year, but it seems to me that this is larger than the amount has been in the last few years. During the war or just after the end of the war there was, I think, a time when the railway system had a surplus.

Hon. Mr. Lambert: Once.

Hon. Mr. Robertson: Once or twice, and since then there has been a deficit.

Hon. Mr. Reid: I am not sure that I heard what was said. Is this the total deficit of the Canadian National for the year 1951?

Hon. Mr. Robertson: I think this is the deficit on current account.

Hon. Mr. Euler: Does it include interest on the funded debt?

Hon. Mr. Robertson: Oh, no, not the interest.

Item 654 votes the imposing sum of $37,999,-966 in connection with the Polymer Corporation Limited. I am advised that this is purely a bookkeeping item, and not an expenditure at all. All the assets of the Polymer Corporation are vested in the Crown, but evidently it was thought the part of wisdom to have the corporation set up as an ordinary company, with assets and liabilities, and, in place of the assets which stand to compensate for the advances, the total stock and capitalization of the company are to be vested in the Crown.

Hon. Mr. Euler: Can the leader tell us whether that corporation is making or losing money, and to what extent in either case?

Hon. Mr. Robertson: I would not undertake to state any amount, but I am advised that the operation has been a highly profitable one. I believe the minister made a statement about it, and a report has been issued. This item results from a change in the set-up.

I think the same comment applies to a relatively small vote in connection with the Atomic Energy Control Board. That is item 656. It is anticipated that this board is perhaps reaching the revenue producing stage in an ordinary commercial way, and the intention is to have it placed in the category of a Crown Corporation.

Some senators have asked me about the vote to compensate Lieutenant Governors for their expense accounts. The vote is in item 658, amounting to $21,500:

To authorize, effective from January 1, 1952, and provide for annual expense allowance to the Lieutenant Governors of the provinces of Canada, to reimburse them for costs of travelling and hospitality incurred in the exercise of their duties, up to the amounts of not less than $5,000 and not more

than $12,000 per annum in the case of any Lieutenant Governor and within those limits not more than an amount of $5,000 per annum plus $1,000 per annum for each 100,000 or fraction thereof by which the population of the province at the last decennial census exceeded 500,000.

As I understand it, applying this to the larger provinces, Ontario and Quebec, and perhaps British Columbia, the ceiling would be $12,000. For some of the smaller provinces, such as Prince Edward Island and Newfoundland, the ceiling under this formula would be $5,000; and for Nova Scotia, whose population was shown by the last census to be somewhere between 600,000 and 700,000, it would be $7,000.

Hon. Mr. Euler: Is this a new item, or is it in addition to what has been paid?

Hon. Mr. Robertson: It is expenses, and has nothing to do with indemnities.

Hon. Mr. Euler: But did the government pay something for expenses in the past, and if so, is this in addition to that amount or is it entirely new?

Hon. Mr. Beaubien: It is new.

Hon. Mr. Robertson: I would think so.

I was asked a question about Vote 610, under Post Office, which reads:

Transportation—movement of mail by land, air and water, including administration—Further amount required, $1,614,000.

I am advised that this amount is made up, first, of $914,000 increased rail expenses caused by the higher rates in effect last year; second, some $300,000 of an increase in the cost of rural mail deliveries; and third, about $400,000 the increased cost of carrying transatlantic mail. However, in the light of the recent statement of profits on the operation of Trans-Canada Airlines, this third item is recoverable.

Perhaps I should offer some explanation of Vote No. 653, under Citizenship and Immigration, in the amount of $6 million. This vote is to provide for:

. . . a continuing Special Account . . . known as the Immigration Revolving Fund, from which interest-free loans may be made to immigrants, towards the cost of transportation to destination in Canada, including cost of meals en route, under conditions fixed from time to time by the Governor in Council.

While this is a revolving account and is supposed to be self-liquidating, I am advised that the process of liquidation is slow.

Hon. Mr. Haig: And is not permanently liquidated.

Hon. Mr. Robertson: It is not rapid and the department feels that a certain amount should be available for this purpose.

I have covered, honourable senators, as best I can the larger items. If there are further questions any honourable senators wish to ask, I shall endeavour to answer them.

Hon. John T. Haig: Honourable members, I do not intend to devote much time to discussing this measure now, because apparently we are expected to have it passed by 5 o'clock this afternoon. I do, however, wish to say a few words about the $75 million item and certain other amounts.

I am advised that the government superannuation system has not been on an actuarial basis from the beginning. One reason for this is that the life span has been increasing. Further, the fund was expected to earn a certain interest rate—say 4 per cent—whereas today, as many of us know, the government is offering bonds at from $2\frac{7}{8}$ to $3\frac{1}{2}$ per cent. The loss of interest earnings affects the whole structure of the system.

Many corporations with pension plans similar to that of the government have found that they have had to make additional contributions to meet deficits. Let us take an average employee, who started out on a salary of $2,000, on which both he and his employer made an annual contribution of 5 per cent, or a total of $200. His salary increased steadily, and when he retired at the age of 65 his pension was based on his high income period of the previous five years. Now a plan cannot stand up under that arrangement, because the contributions over the many early years did not create a fund sufficient to pay the higher pension.

I know of a leading banking institution in this country which each year make a large contribution to meet the deficit in its pension fund. This year the bank authorized its employees to continue at work until 65 years of age rather than 60. Bank salaries increase sharply in the last ten years of the employment and the pension which the employee receives is based on his average salary over those ten years. Obviously, the average wage earned by an employee would not be as high between ages 55 and 60 as it would be from 60 to 65 years. Corporations are required to pay in large sums to keep their pension funds healthy, and I understand that the Income Tax Department is making allowance for such payments.

I can quite appreciate the sentiment of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) when he asked whether members of the civil service could afford increased contributions. I cannot possibly see how they could be expected to make up the loss that has been building up over the years. That is particularly true in the light of the present high cost of living. Although I am

not one who thinks that civil servants are underpaid, I see no possibility of individual employees being able to make greater contributions to reduce the deficit.

In 1905 the city of Winnipeg inaugurated a system of pensions for its school teachers. A teacher who started out on an annual salary of $1,000 contributed so much towards a pension, and as his salary increased so did his contribution. Now the average starting salary is perhaps $2,000, and the method of making contributions towards pension at a certain age is not today actuarially sound. The school board has revised the scheme, and now all teachers who have come on the staff within the past few years are put on a plan which is actuarially sound. But for those persons who are under the old plan, the school board has to put up so much money annually until superannuation age is reached.

I think the proper procedure for us would be to refer this subject to the Finance Committee of this house, and let it call the officials who can explain the details and give the facts. After proper investigation the government could at some future date, say January 1 next, establish the fund on an actuarially sound basis, and all new employees would enter under a proper system. If the facts are, as has been said, that the increase of salaries in the year 1951 created a deficit of $23 million, then we have to provide for about four years, and by that time the deficit, instead of being $100 million, is more likely to be $200 million. Also, I think the rate of interest on money paid in should be equal to the rate prescribed by the government. These are all matters upon which I think the Finance Committee could make effective contribution.

I have a further thought which I should like to express, and in this regard I would ask Mr. Speaker's indulgence in not calling me to order.

There has been much agitation about the proposed extension of annuities. This pension plan is much like an annuity scheme: it is a promise to pay so much at the end of a certain term of employment. But the government has never done what insurance companies do every year, namely, go over their statements and see whether in the light of changing circumstances their scheme is actuarially sound. Two years ago we had before one of our committees an official from the Annuities Branch, and he pointed out that they were trying to beat the table a little by calculating that life expectancy had advanced from 70 to 72 years and basing their calculation on that figure. Nevertheless, I think that the whole matter of pensions and annuities should be considered by the Finance Committee, which could call before it experts from the life insurance companies and large corporations like the Canadian Pacific Railway to tell us what they actually take into account in arriving at an actuarially sound pension plan. In that way we could determine the basis on which the government system should operate. That we have discovered only in the year 1952 that our pension fund is not sound is, it seems to me, a reflection on parliament. We as senators—and I am one of the guilty ones—should have known of that condition long ago. Although I have been a member of this chamber for sixteen or seventeen years, it never entered my head that the system would incur a deficit of anything like this amount. Of course Canada can pay it. Although there is only $85,000,000 in the account to meet liabilities of $330 millions, we can make up what is owing. But that is not the way the country's business should be run. These schemes should be on an actuarially sound basis.

This bill contains many other items which I am not going to discuss, but I must enter the same protest which I have made every year that I have occupied my present position in this chamber. Something has been done by the Finance Committee to minimize the force of my complaint. But the fact remains that this bill deals with no less a sum than $246 millions, that we meet this afternoon at 3 o'clock to consider it, and that we are told in no uncertain terms that the Governor General or his Deputy will be here at 5 o'clock, so the bill must be passed at once. No doubt all my confreres are men and women of great ability, but I do not believe that even they can give adequate consideration to items of this size in so short a time. I do not know what the solution is. I admit that the Finance Committee is making a determined effort to improve the situation. But I do not like the system at all.

Hon. Mr. Euler: Would not the solution be to bring the estimates down earlier?

Hon. Mr. Haig: According to the Minister of Finance, to whom I listened recently in the other place, there are estimates which could not be brought down earlier because the minister did not know what the figures were.

Hon. Mr. Euler: In any event they are only estimates.

Hon. Mr. Haig: While it is, I know, against the rules to criticize what is done in the House of Commons, I must say that I am unable to understand the procedure there. No subject with which that house has to deal is more important than supply. Were it not for the money it is empowered to levy and to vote, the House of Commons would not exist. For generations the Commons have fought for their right, as representatives of

the people, to say how money shall be voted. But what happens? Members talk about various items, but they do not get down to actually voting the money until the last ten days before a recess, and these bills come to us three or four days prior to adjournment. When I go home I am asked, "Why did you not object to this or that item?" My reply is "We never had the chance."

A final word, and not by way of criticism. I wholeheartedly support the proposed increases of indemnities to the lieutenant governors, and I do so more readily since the lieutenant governor and his lady, in the province from which I come, have given us such wonderful service. On the 1st of November next the Lieutenant Governor of Manitoba will have held office eleven years—Let some of your backward provinces match that record!—and nobody can be found to take his place. The only murmur of criticism I have heard is that if, on New Year's Day, you go to the Lieutenant Governor's reception a sober man, you come out sober. When his honour was a civilian and active politically, I was wholly in disagreement with him; but in his present capacity he and his wife have rendered magnificent service to our province. I do not believe that any of their predecessors were as well known as he and his lady have come to be. Our present lieutenant governor has covered every part of Manitoba; he makes no distinction of religion, class or race; he has imbued the people with feelings towards the Crown which may be equalled in other provinces but which, I venture to say, have never been surpassed. And let me add that with all his entertaining and other official obligations he cannot be getting rich very fast on an allowance of $9,000 a year. Either we should abolish the position and have the duties performed by the chief justice or some other functionary, or we should provide for it in such a manner as to make it worth while. In Manitoba about 50 per cent of the population consists of immigrants from continental Europe and their families, and it is a fine thing to have, in Government House, a fitting social centre, and in the lieutenant governor, one who inspires these people and the rest of us with the feeling that we are all one in trying to carry on worthily for the good of the province and of Canada as a whole.

Hon. Mr. Beaubien: My friend has mentioned the figure of $9,000. Is income tax charged to a lieutenant governor?

Hon. Mr. Haig: He has to pay it.

Hon. Mr. Beaubien: Then he does not actually get $9,000.

Hon. Mr. Haig: He is in the same position as a member of the Senate. When a senator receives $6,000 he has to pay tax on it. The honourable senator from Waterloo (Hon. Mr. Euler) would insist that we pay taxes on our indemnities.

Hon. Mr. Euler: Absolutely. I have some doubt, though, whether income tax is paid by a lieutenant governor, as ordinarily the representatives of royalty are not subject to it.

Hon. Mr. Haig: The income tax law does not exempt them. I don't think the government trusts lieutenants governor any more than senators: tax deductions are made before cheques are issued.

Hon. T. A. Crerar: Honourable senators, may I say at the beginning that lieutenant governors are in the same position in this matter as are the honourable members of this body; that is, the salaries or emoluments they receive for the high office they occupy are subject to taxation.

When one looks at these supplementary estimates one ceases to wonder at the wide variety of taxation and the skill of the tax imposers and tax collectors in reaching everywhere to get a little money.

First I make an observation on this further supply for His Majesty—

Hon. Mr. Beaubien: Her Majesty.

Hon. Mr. Crerar: —Her Majesty, which applies to the fiscal year that closed yesterday. It is a great joy to have so near to me my honourable friend, to keep me on the straight and narrow path! I have forgotten the precise amount, but I draw attention to the fact that our main estimates a year ago were of the order of three and a half billion dollars. Before the end of the session last year, supplementary estimates amounting to about $200 millions were brought in. At the close of the financial year we find these further supplementary estimates, totalling $246 million, being brought in. Is it not a matter for some reflection that we are voting nearly $450 million in supplementary estimates for the fiscal year that ended yesterday?

What are supplementary estimates for? I want to deal with this because a bad practice has grown up which should be stopped. Supplementary estimates had a very different place in the old days when the conduct of public business was not so free and easy as it is today. Honourable senators are familiar with the procedure of preparing estimates. Towards the end of the calendar year, somewhere around November, the Minister of Finance notifies all his colleagues that he wants them to prepare and submit to Treasury Board the estimate of expenditures they think they will require in the next fiscal year.

Those estimates are finally gathered together in what we call the Blue Book, and are tabled in both houses of parliament shortly after the session begins. The main estimates should cover the requirements of the individual services for the fiscal year, unless something extraordinary and unforeseen should arise. This was so in the old days; but nowadays we have drifted into the easy and careless habit, apparently, of not estimating accurately when the main estimates are brought down. As a result we are forced to crowd in supplementaries in huge amounts as the fiscal year draws to a close, and thus we have today's spectacle of almost a quarter of a billion dollars being required for last year.

This is bad in an administrative way, because the officials of the various departments tend to grow careless. They say, "Well, it's all right. If we want something and there is a fight about it now, we will put in a supplementary for it". In my judgment this practice in the handling of the fiscal business of the government is growing to an alarming degree, and it should be stopped. The Finance Minister is too tender with the departmental heads. He needs to be stern and tell them that their main estimates must be in by a certain date, and that they are not to prepare them on the expectation of getting several hundred millions of supplementaries within the next fiscal year. If this were done, parliament would know what money it had to vote. Just what value have estimates got if they do not accurately reflect what the government proposes to spend in the year for which they are voted?

Turning now to an examination of the bill before the house, I would say that the honourable leader opposite (Hon. Mr. Haig) was quite in order in discussing annuities, because there is an item in these estimates dealing with annuities.

Hon. Mr. Haig: Yes, I know.

Hon. Mr. Crerar: I do not intend to make any extended contribution to the discussion on the superannuation fund. The honourable leader of the government (Hon. Mr. Robertson) mentioned a few of the factors that had changed the basis of the superannuation calculation. A person entering the service some forty years ago contributed so much out of his salary towards his superannuation, and the government contributed the rest. In other words, the total of both these contributions theoretically provided a fund that would meet the superannuation payments. But life expectancy has increased. At that time many people thought that a man reaching sixty-five would probably die at seventy-five; but it is quite a different matter if he is going to live until he is eighty. If any criticism could be offered here it is that this fund was not put upon a sound actuarial basis years ago.

There are a few items in these estimates to which I should like to refer. One has to do with the Department of Labour, and I am quite in order in discussing it. Vote 593 deals with the Annuities Act. There appears a long description in rather small type, and an item of $1 is provided for something or other. When I see a provision for an item of $1 in the estimates I always think it is worth a good second look.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Crerar: I have had only very limited time to examine this item, and so I do nothing more than draw it to the attention of the house. In vote 611, under the heading of Post Office, there is apparently an item of $1 to bring an employee of the Post Office under the superannuation fund. I do not know what that means. Probably it is quite in order, but it is one of those things that members of parliament should take a look at.

Vote 636, under the heading Marine Services, reads:

Construction or acquisition of vessels and new equipment—capital—further amount required, $948,550.

If in the main estimates the authorities in the Department of Transport under-estimated this expenditure for marine services by close to a million dollars, then they were not on the job. This unfortunate practice of doing things will tend to increase if we do not check it.

Next I would refer to vote 655. Here is an item for the External Affairs Department of $600,000 to provide, subject to regulations of the Treasury Board, for working capital advances. Now, if we were not under the necessity of getting these items through this afternoon, I think this is a vote which should be explained. Why does the External Affairs Department require working capital advances? "Working capital advance" is a term used for the advance of money as, for instance, to the Canadian National Railways or the Polymer Corporation or any other of the Crown companies. But from a hasty reading of this, one gathers the impression—which of course may be quite wrong—that the money is to provide a sort of revolving fund within the department. If that type of fund is to be set up, should we not be told a little more about it? It may be that my criticism is quite unjustified. I merely draw

attention to this item as one of those about which additional information should be secured.

These votes will go through, but it is a matter for concern that the main estimates submitted a year ago were so far short that the government has had to come along and ask for an additional sum of practically $450 million to cover the twelve months. That, in my judgment, is not good housekeeping.

Hon. Mr. Davies: Honourable senators, I wish to ask the leader of the house a question regarding item 653, under Citizenship and Immigration. During the past year I have been interviewed by a great many intending emigrants from the Old Country, and I was asked a number of questions which unfortunately I could not answer. As I understand it, under the present regulations an emigrant to this country from Britain is required to put up £10, or something under $30 at the current rate of exchange. Is this vote of $6 million intended for the establishment of a fund out of which to lend money to emigrants to cover the balance of their ocean fare and their railway fare to point of destination in Canada? If so, can the leader tell us what method is used for keeping track of the emigrants after they arrive here and collecting the money back from them?

I recently crossed the ocean in a ship carrying about 500 persons emigrating to this country; I talked to a good many of them and am convinced that they will make good citizens. I am just wondering whether out of this vote moneys will be lent to such people to enable them to pay the balance of their transportation expenses; and, if so, what method is used for seeing that the loans are repaid.

Hon. Mr. Robertson: I am afraid I cannot answer the question as to what machinery is used for collection of the amounts lent. This vote is in addition to the $3 million provided under item No. 648 in Appropriation Act No. 2 of 1951, which was exhausted some time last fall. The purpose of this vote is to provide for a continuing account known as the Immigration Revolving Fund, from which interest-free loans may be made to immigrants towards the cost of transportation to destination in Canada, including cost of meals en route, under conditions fixed from time to time by the Governor in Council. I can only presume that the money is collected back from immigrants through the labour organization offices and employment agencies throughout Canada. I do not undertake to say that every dollar advanced will be repaid, but I believe that by and large the experience up to date has been reasonably good.

Hon. Mr. Horner: The minister said in another place that 200 immigrants had disappeared and there was no hope of getting any money back from them.

Hon. Mr. Quinn: The number was larger than that. Thousands have disappeared.

Hon. Mr. Horner: The department has no trace whatever of such people, and no doubt there will be a lot more of them.

Hon. W. D. Euler: Honourable senators, perhaps I shall be pardoned if I say that this discussion seems to me rather futile, because of the fact that we cannot do much about this bill. It has never been recognized in the past that the Senate has the duty of scanning and perhaps rejecting certain estimates. In general practice the Senate is not supposed to take any action with regard to the appropriation of moneys. I do not agree with that, but that has been the practice. I say that the discussion is more or less futile because the questions asked about some items could not possibly be answered by any one person. I do not blame the leader of the government (Hon. Mr. Robertson) for saying that he cannot give answers, for much of the information asked for could be obtained only in committee. Now, as I understand it, it is not intended to send this bill to committee. Instead, I believe, we are supposed to pass it by five o'clock.

Hon. Mr. Reid: That is right.

Hon. Mr. Euler: So we must make up our minds either that we will not pass these items until we have an opportunity of examining them in committee, or that we shall pass them this afternoon without obtaining any real information about them.

I also wish to refer to what was said a few moments ago by my colleagues from Churchill (Hon. Mr. Crerar). He has had some experience in the preparation of estimates—and, as a matter of fact, so have I. He said the Minister of Finance is too easy. I do not agree with him on that. At least, that was not true of any Minister of Finance with whom I came in contact. My experience was that when the Minister of Finance asked his colleagues in the government for their estimates he constantly urged that the amounts be kept down. And, under that pressure, ministers do endeavour to keep their estimates down to some extent, perhaps often knowing that it will be impossible to get through the year on the amount of money asked for. The inevitable result of this system is a demand for supplementary supply. It may be argued that whatever amount the Minister of Finance asks for in the main supply bill is all that he should get. Yet, it would not be quite practical to limit him in this way, for departments can

hardly avoid incurring expenditures that were not foreseen at the beginning of the fiscal year.

However, I do think there is something to my colleague's point that the amount of money asked for in a supplementary supply bill should not be as large as $250 million or $300 million. Indeed, I believe he said that the total of the supplementary estimates for the fiscal year just closed is about $450 million. I may be criticized for what I am going to say, but I will say it. I feel that we are spending entirely too much money in this country. We have just about reached the point where the people will not stand for these heavy expenditures any longer. I say that advisedly, because of what a great many people have told me. It is my opinion that most people are just about fed up with the large amount of taxes they have to pay. I think it might be pretty difficult to justify some of the expenditures at this time, even for what we call defence, I say that with a certain reluctance, but I believe it to be the fact.

Now I come back to this supply bill, which we are supposed to pass by five o'clock. Under what necessity are we to approve these supplementary estimates? I know that if a sufficient amount to cover civil service salaries to the end of the fiscal year is not appropriated there will be a delay in the payment of some salaries, and that would cause a good deal of dissatisfaction and injustice. But this bill has nothing to do with civil service salaries at all. For the life of me I cannot see any reason why these estimates should not have been brought down in time for us to have referred them to a committee and obtained information from departmental officials. Had we done that we could have dealt with the items intelligently, without feeling, as we must now, that we are acting like a set of rubber stamps.

Hon. Thomas Reid: Honourable senators, I should like to direct a question to the honourable leader. While I am not quite in accord with the remarks just made, I realize that the leader is not in a position to answer all questions.

My attention is drawn to one item which I think should be viewed with a sense of humour. Vote No. 587 reads:

Contributions towards the National Women's Organization Program in connection with the prosecution of a thrift campaign, not to exceed $10,000.

True, the amount is not great in these days when provinces are spending by the hundreds of millions and the federal government by the billions. But I am wondering where this thrift campaign has taken place, and what province benefited by it.

I realize that all expenditures cannot be foreseen. For instance, Item 629 pertains to the visit to Canada of Her Royal Highness Princess Elizabeth and the Duke of Edinburgh. But I turn next to Item 607, which has to do with Indians and Eskimos health services, and provides for an additional $1 million. Surely, the department concerned could have estimated within a million dollars what its costs would be. My opinion is that although the Minister of Finance may be severe when the estimates are down, the departments have found a way of getting around the situation by making extraordinary expenditures and bringing them down at the last moment.

I should like some explanation in reply to my question about the thrift campaign.

Hon. Mr. Robertson: I presume the explanation is that the funds were used to educate the public as to the need for thrift in all matters.

Hon. Mr. Reid: We should have given them a million dollars, if it would have helped any.

Hon. Mr. Robertson: Of course we are directing our efforts towards the curtailment of spending and not the increase of it. Perhaps when the main estimates are brought down my honourable friend's suggestion will be adopted. But I am unable to give him any realiable explanation of that item at this time.

Hon. Mr. Horner: I understand that the explanation for this item is that a number of women undertook a campaign to encourage people to economize in their buying and so on. Some money was spent on travel and in other ways, and a contribution of $10,000 was made towards meeting those expenses. I hesitate to ask, but could this organization have been composed of Liberal ladies?

Hon. Mr. Euler: Perish the thought!

Hon. J. J. Kinley: Honourable senators, the honourable senator from Churchill (Hon. Mr. Crerar) referred to Item 642, and as it is of interest to the province from which I come, I should like to comment on it. The item reads:

Canadian National (West Indies) Steamships, Limited—To authorize the write-off from Non-Active Assets to Consolidated Deficit Account of the balances of advances or loans ($3,618,505.74) made to the Canadian National (West Indies) Steamships, Limited. Notwithstanding any other Act, interest shall cease to accrue on this amount on and from January 1, 1952 . . .

The report is abroad that these ships are to be sold. They are getting old, and perhaps they are a bit outmoded, but I am interested in knowing if they are going to be replaced. If not, will the money received from their

sale go into the Consolidated Revenue Fund or will it go to reduce the deficit of the Canadian National Railways?

I note that the deficit of the Canadian National Railways is $15 million odd; to that amount there is added $1,280,000 and $85 million for the Prince Edward Island car ferry and terminals deficit. Then it is proposed to write-off the assets or loans to Canadian National (West Indies) Steamships. The total of these three amounts is considerable. We must not lose sight of the fact that when the Canadian National Railways writes down its assets, the public has got to pay. This may be a convenient way of financing, but such a public enterprise as this does not face the tests and trials of private enterprise. This is a good example of the difference between a public enterprise and a private venture.

The member from Churchill (Hon. Mr. Crerar) also referred to Item 636, under the heading of Marine Services:

Construction or Acquisition of Vessels and New Equipment—Capital—Further amount required, $948,550.

For anybody to say that this is evidence of inefficiency is, to my mind, not justified. Those who know about the shipping business and the cost of repairs at the present time know that it is impossible to estimate operating costs. Even in the matter of house building, the owner may find that the construction cost him one-third more than he estimated. We must not lose sight of the fact that we have recently taken over Newfoundland, and as a maritime province it has no doubt required extensive marine services; it may be that more ships were purchased, or refrigeration was installed in some ships, and that this was not considered necessary when the original estimate was made. Criticism of such items as indicating inefficiency on the part of the Finance Minister, it seems to me, must come from an uninformed mind. We are today in difficult times, and it is hard to estimate what expenditures will be. The Minister of Finance is criticized because he underestimates his revenue and overestimates his expenditures; but I have been in public life long enough to know that one does not worry about surpluses, the problem is the deficits.

It seems to me that while our economy is buoyant, as it is at the present time, we should create surpluses, and they will stabilize us in times of depression. We must realize that we have paid off a considerable portion of the public debt of this country. Does anyone suggest that this should not be done in good times? We can recall previous wars which were fought on borrowed money, and that we were years reducing our debt. Now we are in a position to almost pay as we go—a most enviable position.

If there is one field in which Canada has excelled, it is in the financial field. Her financial structure is the envy of many countries. It must be said that down through the years the public servants who have been in charge of our fiscal arrangements have done a splendid job. For instance, if one goes to the bank today to buy American money one no longer pays a premium but gets it at par. It is a great day for Canada, lying as she does alongside the United States, to find that her dollar will buy as much as the American dollar. That situation is something the Minister of Finance can be proud of; and to say that he should be able to estimate his expenditures more closely than he does is, in the light of the times, unjust criticism.

There was a time when we could legislate by statute; a bill was passed, and it became law. Then we found that we could not legislate by statute, because what was good law one day might be bad law the next, or vice versa; so we resorted to legislation by order in council. The same applies in matters of finance. The old method of estimating requirements until the end of the year and insisting that all expenditures be held within the amount estimated is outmoded. We are on a new road, and we have to adopt new ways. To criticize the government because it has too large a surplus and cannot spend all the money it has collected seems to me unrealistic.

The honourable senator from Waterloo (Hon. Mr. Euler) argues that taxation is so high that the people cannot stand it. As a matter of fact, it is lower than in most countries. Furthermore, I do not believe that the people of this country, notwithstanding what they have to pay, ever had a more abundant life than they have at the present time. While all of us hate to pay taxes, and we know that governments are extravagant, and what they do is less carefully done than is the business of private enterprise, our over-all condition is one with which we can be very well satisfied. My only word of criticism is that we should have a little more time to intelligently inform ourselves through our Committee of Finance as to the subject-matter of the estimates.

Hon. Mr. Robertson: Honourable senators, if there is no further discussion I should like to comment on one or two remarks that have been made. I agree with those who feel that there has not been enough time to consider the public estimates. So far as I know, there never has been. But I repeat what I said at the beginning, that a good many of the

matters comprised in these items are continuing expenditures, and that the Finance Committee is in a good position to consider them in principle with an eye to the future. Few of them are in the category of non-recurring items.

In the course of the discussion I ventured to give the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) my recollection of the amount of the deficiency at the close of the year 1947. What I said was approximately correct, but it may be well to state what is contained in the report of the actuarial examination of the superannuation account and the consolidated revenue for the period March 31, 1931 to December 31, 1947. I tabled this report yesterday. The conclusion of the compilers in respect of the fund as it then stood was: reserve required to meet future obligations, total value of benefits, less total value of future contributions—because, of course, some claims would not accrue for some time—estimated, $341,149,000; balance in account, December 31, 1947, $89,544,000; leaving a deficit of $251,605,000.

Hon. Mr. Burchill: Before my honourable friend leaves that point, can he tell us on what rate of interest that is computed?

Hon. Mr. Robertson: The original basis, of course, was 4 per cent: I do not recall whether it has been changed.

As to future earnings, I am advised that contributions of 6 per cent by civil servants and by the government, with interest at 4 per cent, will support the fund so long as there are no changes in the general level of salaries, and contributions for past service are made both by employer and employees. The normal increase in the salary scale during the career of the civil servant is taken into account. If at a particular time a general over-all increase in the salary structure takes place, specific provision will have to be made if the account is to be kept on an actuarially sound basis.

Hon. Mr. Haig: That is the reason for the $23,000,000 item?

Hon. Mr. Robertson: Yes. Perhaps I was not entirely accurate in intimating to the honourable senator from Waterloo (Hon. Mr. Euler) that since 1947 the account had been maintained on a sound basis actuarially. That may not be so, because the deficit at the end of 1947 was about $250 millions. I am informed that the Minister of Finance estimated the deficit as of December 31, 1951 to be $312 millions. That, of course, antedates any of these appropriations.

I will refer only briefly to one or two other points which were brought up. An honourable senator referred to vote No. 593 in the Department of Labour, under the Annuities Act. The practice of inserting an item of $1 is one which I find confusing, and I usually try to obtain an explanation. The explanation with respect to that dollar item is that the department was advised that, pending an amendment of the Annuities Act, contracts between employers and employees must be changed by Act of Parliament whenever there is a transfer of employees to new employers—whose names are specified in the details of the estimates. An amendment to avoid the necessity for this proceeding was introduced in the other place last year, but was not then proceeded with.

The other $1 item, which will be found in the Post Office group, has to do with a change of attitude towards a certain employee of the Department who was discharged for some irregularity and who in consequence lost his superannuation benefits. It was considered that in view of the somewhat technical character of his offence, this treatment was harsher than should have been meted out to him, and this procedure has been adopted to make it possible to deal with him in a less severe manner.

As regards vote No. 655 of $600,000 under the Department of External Affairs, as my honourable friend from Churchill (Hon. Mr. Crerar) indicated, this is a revolving fund. It provides for advances to officials going to foreign stations and requiring, for instance, tropical clothes: from this account moneys can be advanced to them, to be repaid over a period of years. Whether any better method of providing for such expenditures could be evolved is a matter of detail into which, perhaps, the committee may have an opportunity to inquire.

The bill was read the second time.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now. I so move.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill E-5, an Act for the relief of Nathalie Olga Marianne Pervouchine Petrik.

Bill F-5, an Act for the relief of Lily Stall Wax.

Bill G-5, an Act for the relief of Charles William Silver.

Bill H-5, an Act for the relief of Hilda Irene Gordon Diamond.

Bill I-5, an Act for the relief of Jochwet Freiberg Rosenstein.

Bill J-5, an Act for the relief of Mabel Elizabeth Jones McKay.

Bill K-5, an Act for the relief of Dorothy Esme Graham Snell.

Bill L-5, an Act for the relief of Olive Winifred Thistle Gour.

Bill M-5, an Act for the relief of Sergius Messier.

Bill N-5, an Act for the relief of Samuel Long Adamson.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Haig: With leave, I move that the bills be now read the third time.

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

FIRST READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill P-5, an Act for the relief of Sadie Isaac Kannon.

Bill Q-5, an Act for the relief of Yvonne Yvette Lalonde Faucher.

Bill R-5, an Act for the relief of Kenneth Oliver Frawley.

Bill S-5, an Act for the relief of Carol Almina Perry Alleyn.

Bill T-5, an Act for the relief of Gertrude Mintz Dankoff.

Bill U-5, an Act for the relief of Edna Pearl Tait Ames.

Bill V-5, an Act for the relief of William Payne.

Bill W-5, an Act for the relief of Edith Olive Catherine Cramp Midgley.

Bill X-5, an Act for the relief of Dorothy Lillian Robinson Kay.

Bill Y-5, an Act for the relief of Emily Eileen Withall Rediker.

Bill Z-5, an Act for the relief of Joseph Charles Gerard Jean Leduc.

Bill A-6, an Act for the relief of Hilda Miriam Magee Taylor.

Bill B-6, an Act for the relief of Laurent Langlois.

Bill C-6, an Act for the relief of Dorothy Lucille Girard Ward.

Bill D-6, an Act for the relief of Alfred Machabee.

Bill E-6, an Act for the relief of Fanny Iancovici Weissenberg.

Bill F-6, an Act for the relief of Marilyn Apple Bogoroch.

The bills were read the first time.

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Haig: With leave, at the next sitting.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1953.

An Act for the granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1952.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 2, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill H-3, an Act respecting the Royal Canadian Academy of Arts.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills to whom was referred Bill H-3, an Act respecting the Royal Canadian Academy of Arts, have in obedience to the order of reference of March 27, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the Senate, I move that the bill be read the third time now.

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

VISIT TO OTTAWA OF DISTINGUISHED AMERICANS

ANNOUNCEMENT AND MOTION

On the Orders of the Day:

Hon. L. M. Gouin: Honourable senators, before the Orders of the Day are proceeded with, I should like to notify the house of the expected visit to Ottawa, on April 30 and May 1, of a group of distinguished Americans, including Senator Guy M. Gillette, Mr. Owen J. Roberts, a former Justice of the Supreme Court of the United States, and possibly two members of the House of Representatives.

Honourable senators will recall that during the years 1950 and 1951 we had an interesting debate on the question of a convention to explore the possibilities of an Atlantic union and the formation of a world federation. The distinguished gentlemen to whom I have just referred are among the leaders in the United States who favour an Atlantic union. They will arrive in Ottawa on Wednesday, April 30, at about 12 o'clock. During the afternoon of that day they will hold a press conference, and will meet with as many senators and members of the other house as are interested in discussing with them the very important subject which I have just mentioned.

I make these remarks because I understand that we will adjourn tomorrow for the Easter recess, and that this is the last opportunity I will have to inform honourable senators of the proposed visit at the end of the month. I would add that an unofficial parliamentary study group has been formed by a number of members of the Senate and of the House of Commons with Mr. Alistair Stewart as secretary, and any request to attend the dinner on Wednesday evening, April 30, should be directed to him.

Hon. Wishart McL. Robertson: Honourable senators, apart altogether from what its mission may be, the visit to Canada of a delegation of distinguished American legislators is of more than passing interest.

Having learned that at least two senators and some members of the House of Representatives will be in Ottawa on April 30 and May 1 next, it occurred to me that honourable members of this house might think it appropriate to extend to them the courtesies of the Senate. I have explored the viewpoint of honourable senators to some extent, and with leave of the Senate, seconded by the honourable leader opposite (Hon. Mr. Haig), I would move:

That His Honour the Speaker be asked to extend an invitation to occupy seats on the floor of the Senate, as guests of honour, to a group of prominent members of the United States Congress and others, headed by the Honourable Senator Guy M. Gillette, who will be visiting Ottawa on Thursday, May 1, 1952.

The reason I am now making this motion is to give His Honour the Speaker sufficient time to extend the courtesies of the Senate to these distinguished American visitors.

It is a peculiar characteristic of our relations with the United States that, although the personal associations of members of the respective administrations and departmental officials have always been of the closest nature, there seems to have been, for no reason of which I am aware, very little official connection between the legislators of the two countries. This is a point which could well be considered at some future time. I hope that the Senate will be in unanimous agreement with the proposal to offer this courtesy to the large and distinguished delegation of members of the United States Congress that will be coming to Ottawa.

Hon. John T. Haig: Honourable senators, there is a sound precedent for this proceeding. It was, I believe, in 1904 or the

following year that two of our former members—the late Sir Mackenzie Bowell, then leader of the Conservative party in this chamber, and the Honourable Raoul Dandurand, subsequently leader of the Liberal party in this house—were, by special resolution, given seats on the floor of the Senate of the United States during a visit they paid to Washington. All we shall be doing is to return the courtesy that the United States Senate paid to two of our members. I will go a little further than the leader of the government (Hon. Mr. Robertson) has done, and express the hope that the Speaker will invite Senator Gillette to say a few words to us; for I am one of those who believe that a greater exchange of ideas between the two countries, and especially between parliamentarians of the two countries, will be all to the good.

Hon. J. G. Turgeon: Honourable senators, I am in full accord with this resolution, and I want to take this opportunity of saying a word of appreciation to the honourable senator from Waterloo (Hon. Mr. Euler), for if he had not two years ago originated the motion in respect of Atlantic union, which the Senate then adopted, we would not be so closely associated as we are about to be with the Senate and the House of Representatives of the United States, through the distinguished members who are to visit us.

Some Hon. Senators: Hear, hear.

The motion was agreed to.

EMERGENCY SITTINGS OF THE SENATE

MOTION

Hon. Mr. Robertson: Honourable senators, in view of the likelihood that tomorrow the Senate will adjourn until April 29, I would move, seconded by the honourable leader opposite (Hon. Mr. Haig), the following motion:

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

Hon. Mr. Haig: Carried.

The motion was agreed to.

APPROPRIATION BILL NO. 2

SUPERANNUATION FUND

Hon. Mr. Robertson: I should like to refer to the discussion of the Civil Service Superannuation Fund that took place yesterday during the debate on the motion for the second reading of Bill 94, dealing with supplementary estimates. Certain statements were made about the period prior to retirement during which the average salary is taken as a basis in determining the amount of superannuation to be paid. It was said—and I did not disagree—that in some cases this period was five years, and in others ten years. The facts are these: The superannuation of all employees who contributed to the Retirement Fund prior to 1924 is computed on the basis of their average salary during the last five years of their service; the superannuation of those who have come under the Act since 1924 is based on their average salary during the last ten years of their service.

Hon. Mr. Haig: Thank you.

PRIVATE BILL

SECOND READING

Hon. J. W. Stambaugh moved the second reading of Bill O-5, an Act respecting the Board of Elders of the Canadian District of the Moravian Church in America.

He said: Honourable senators, I believe that in Canada only those who live in the three western provinces are familiar with the Moravian Church. The bill before us is to amend the incorporation of this body, of which I should like to give a brief history at this time.

The Moravian Church is one of the earliest Protestant churches, dating back to 1400. At that time the organization was known as the Moravian Brethren, and their leader was John Huss. The present church was organized by a group who protested against the union of church and state in 1433, when the church was recognized as the national church of Bohemia.

The Moravian Church was recognized by the British parliament in 1749. On this continent its first congregation was organized early in the eighteenth century, in Georgia.

The Moravians have long been noted for their missionary work, they having established missions as far back as 1732. They were among the first to have foreign missions in Labrador and Alaska. Their first mission in Labrador was established in 1752.

The Board of Elders of the Canadian district of the Moravian Church in America was incorporated in Canada in 1909, and the first churches were situated close to what was

then known as the city of Strathcona and is now part of the city of Edmonton. In fact, I believe that the very first church was actually in Strathcona, and that the others were in the immediate vicinity. At the time of the incorporation those were the only churches of the denomination in Canada, but since then congregations have been established in various parts of Alberta, and as well in Manitoba and Saskatchewan.

One of the objects of the bill is to permit an increase in the membership of the Board of Elders from three to five, so that representation on the board may be given to the new church communities.

Under the present Act the head office of the board was said to be in the city of Strathcona, which, as I have mentioned, is now part of the city of Edmonton. Section 2 of the bill amends the Act by providing that the head office shall be in Edmonton. This section also empowers the elders to move the head office elsewhere in Canada, should they consider this necessary.

The present Act restricts to $50,000 the annual value of the real estate held in Canada by or in trust for the board. Section 3 of the bill increases this limitation to a maximum of $500,000. At the time of the incorporation it was considered that the annual value of all real estate held for church purposes need not exceed $50,000, but the growing number of churches and the increase in value of real estate held has made it necessary to ask that the limitation be raised to $500,000. This figure would allow a certain leeway, so that the elders would not have to make application for further amendments for some considerable time.

I am somewhat familiar with the teachings of the Moravian Church. At the present time the church has about 30,000 members, and I am personally acquainted with quite a number of them. I can speak in the highest terms of these people. They are industrious, honourable, and good Canadian citizens. I therefore hope that the bill will receive favourable consideration.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. John T. Haig, for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill P-5, an Act for the relief of Sadie Isaac Kannon.

Bill Q-5, an Act for the relief of Yvonne Yvette Lalonde Faucher.

Bill R-5, an Act for the relief of Kenneth Oliver Frawley.

Bill S-5, an Act for the relief of Carol Almina Perry Alleyn.

Bill T-5, and Act for the relief of Gertrude Mintz Dankoff.

Bill U-5, an Act for the relief of Edna Pearl Tait Ames.

Bill V-5, an Act for the relief of William Payne.

Bill W-5, an Act for the relief of Edith Olive Catherine Cramp Midgley.

Bill X-5, an Act for the relief of Dorothy Lillian Robinson Kav.

Bill Y-5, an Act for the relief of Emily Eileen Withall Rediker.

Bill Z-5, an Act for the relief of Joseph Charles Gerard Jean Leduc.

Bill A-6, an Act for the relief of Hilda Miriam Magee Taylor.

Bill B-6, an Act for the relief of Laurent Langlois.

Bill C-6, an Act for the relief of Dorothy Lucille Girard Ward.

Bill D-6, an Act for the relief of Alfred Machabee.

Bill E-6, an Act for the relief of Fanny Iancovici Weissenberg.

Bill F-6, an Act for the relief of Marilyn Apple Bogoroch.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Haig: With consent of the house, I move that they be read the third time now.

Hon. Mr. Robertson: Can the honourable member say how many cases have been dealt with so far?

Hon. Mr. Haig: About 150 bills will have been presented before we adjourn tomorrow. Up to about a week ago the evidence in only a small number of the cases had been printed, but it is expected that the evidence in all the cases so far heard and recommended will have been received and sent over to the other house by the end of this week.

JAPANESE PEACE TREATY

RESOLUTION OF APPROVAL

The Senate resumed from Friday, March 28, the adjourned debate on the motion of Hon. Mr. Hugessen:

Resolved, That it is expedient that the Houses of Parliament approve of the Treaty of Peace with Japan, Declarations (2) of Japan and Protocol, all as signed at San Francisco on the eighth day of September, 1951, and that this house do approve the same.

Hon. Thomas Reid: Honourable senators, in rising to take part in this debate I wish at the outset to offer my sincere congratulations to the deputy leader (Hon. Mr. Hugessen), who on Friday last made such a splendid presentation of the Japanese peace treaty. His elucidation of the main clauses was a delight to hear and very enlightening. In the course of his speech he commented on the long delay that had occurred and the difficulties that had to be overcome before the treaty had reached the stage in which it comes before us.

In my opinion it is unfortunate that the western allies paid so much attention to Soviet Russia's views on the kind of treaty that should be made with Japan. After all, Russia entered into the war against Japan only the day before Japan capitulated. That, in effect, means that Russia did nothing to contribute to the defeat of Japan, and yet since that defeat Russia has endeavoured to thwart a peace treaty being arranged by the western powers. I am one of those who believe that the allies should have gone forward with their plans for a treaty, and before I conclude I shall cite my reasons for believing so.

As the acting leader (Hon. Mr. Hugessen) pointed out, the treaty is a generous one, but I believe we can well afford to be generous. If we review events since the defeat of Japan we will see that the allies, especially through what was done at Yalta, stripped her bare. Japan, a country with some 83 million people, had Formosa and other outlying possessions; but the policy of the allies was to also give away her northerly possessions until today Soviet guns on Sakhalin Island are within a few miles of Japan and facing Japanese territory. Moreover, Russia in her attempt to control the fishing for fifty miles out to sea is preventing Japan, who has a million and a half people engaged in the fishing industry, from getting enough food for her economy and to supply her population. In view of that situation, we can very well afford to be generous in this treaty.

I was pleased that the honourable senator for Ottawa (Hon. Mr. Lambert) moved to have the subject matter of this treaty referred to a committee. The treaty contains many clauses, some of which I shall touch on briefly today, that should be explained more fully not only to the members of this house but to the Canadian people at large. The Senate, I think, could render great service by becoming, shall I say, the educational body of parliament. In this connection I would draw the attention of the house to the fact that we are this year giving $25 million to the Colombo Plan. Yet I wonder how many Canadian people know where Colombo is and why we are contributing this sum of money. I believe this house should set up a committee to which we could refer such matters as the policy with respect to Colombo and the peace treaty now before us. With adequate publicity given to such deliberations, the people of Canada would perhaps be much better informed about such subjects than they are today.

I realize that John Foster Dulles had the responsibility of formulating this treaty on behalf of the United States, and that it was a formidable task; but I offer this criticism of him, that he seemed to regard Canada as an appendage of Great Britain. Mr. Dulles visited every participating country but Canada to discuss the provisions of this treaty; my information is that so far as Canada was concerned he merely discussed the question with some higher officials of our External Affairs Department in the city of Washington. That, in my view, is hardly good enough for such an important country as Canada. Mr. Dulles should have come to Canada and placed the matter before the government or the Minister of External Affairs, for discussion at that high level would have been a recognition of our proper place in world affairs.

A further criticism which I would offer is—and it seems remarkably strange—that to obtain first-hand information about the provisions of either the peace treaty or the fisheries agreement, discussed a few days ago, one had to go to the United States. I secured a copy of the fisheries agreement from the United States long before it was available from the Canadian authorities. I do not charge the government with any "hush-hush" policy, but it seems that they were reluctant to give out information on treaties that were not at all secret. Indeed, almost immediately after the fisheries convention was signed in Tokyo copies were available to the fishermen in Seattle, and only then did we in Canada become aware of what its provisions were.

The peace treaty before us contains some important clauses to which I shall endeavour to draw the attention of honourable senators, the government and the country at large. By Article 12 of the treaty, which has to do with trade, I understand that we

are proposing to extend to the Japanese the favoured-nation trade policy which she enjoyed before entering the war.

I would point out that Canada depends more than any other nation on her export trade, and that over the years trade policies have changed considerably. In 1939, 40 per cent of our export trade was with Great Britain and 37 per cent with the United States. In 1951 the picture had entirely changed, and only 16 per cent of our export trade went to Great Britain and 59 per cent to the United States. When I look over the export trade figures, I am not so enamored of sending the greatest portion of our goods across to the United States. The outbreak of the foot-and-mouth disease and the embargo against Canadian cheese has shown us how trade arrangements with that country can and do change overnight.

I am wondering what the Canadian people are going to say when they discover that we have extended the favoured-nation policy to Japan and that her goods are starting to come to this country. Are we going to shut them out because they are cheap? Let us not forget that we have stripped Japan of her possessions, that we need her strength in the Orient against the present regime in China and the threat of the Soviet. Are our businessmen going to cry to high heaven against trading with the Japanese because some Canadian factory cannot meet the competition? I would remind honourable senators that in 1939 we sold to Japan some $30 million worth of goods; and I need hardly say that trading should be a two-way arrangement, that we cannot expect a country to buy from us if we are not prepared to buy from it.

In passing I should perhaps say a word about those nations that have recently been trading with Soviet Russia. It would be interesting to know just what nations are doing such trading. While Great Britain has restricted her trade with us because of a lack of dollars, I believe Canada did not go far enough in her representations last year when Russia was allowed to ship huge quantities of grain to Great Britain in exchange for important machinery.

I mention this because of something which it will take the Canadian people a little while to live down. Recently, shipload after shipload of automobiles, in all about 10,000 cars which had been sent in good faith by British manufacturers to this country, were returned to Britain because of credit restrictions imposed here. That is a fact which should be borne in mind when we refer to the exchange of British-made machinery for Russian grain. We in Canada might have found a way of encouraging reciprocal trade with Britain, not only in our mutual interests, but for another reason which should not be overlooked. There are in this country Communists who decry the statement that but for Britain the whole of Europe would today be dominated by Hitler's Germany. I have heard them extolling the performances of Russia during the last war, but there is no man who can successfully contradict the statement that, had Britain collapsed when France collapsed, Germany today would dominate the whole of Europe. Had it been possible for Germany to turn her full armed might against Russia, that great country would have been beaten; but the United Kingdom in holding the gate against the Hitlerite hordes for herself, held it also for Soviet Russia and for this country, and for the United States as well.

With regard to matters comprised in the trade treaty, I should like to take a minute to speak about immigration. At this time, I understand, there are awaiting approval some three thousand applications from Japanese to enter Canada. I am not now going to repeat what I have said in days past in the other place with regard to Japanese immigration. But let me say this: it is all very well for people living fifteen hundred or three thousand miles from the danger zone, and now that the war is over, to decry what was done during the war years in removing the Japanese from the British Columbia coast. But think of the situation at that time. Japan was a powerful military enemy. No one knew where she would strike. Exposed to invasion was a coastline extending from the Yukon to the Mexican border, and it is now known with certainty that but for disagreements on strategy among the Japanese authorities, their armed forces would have launched an attack on this continent. It happened that the dispute in the high command was won by the air force and the navy, and as a consequence the enemy struck at Pearl Harbour. Meanwhile, we in British Columbia were living alongside thousands of Japanese. Many of them openly admitted that they were there in the interests of Japan; some boasted that they would soon rule this country; and thousands of their boats were scattered along our entire coastline. Without doubt many of these people were spies or spotters. Living under conditions of blackout, not knowing where or when Japan would strike, could we afford to leave the Japanese where they were? Yet, because they were removed to the interior and to eastern points, for the safety of the nation, those of us who favoured that movement have been held to blame.

I repeat that it is easy at this distance of time and place to say that that was a terrible thing to do; but it is rather amusing to note that among some of the most vociferous critics of our treatment of the Japanese in British Columbia are people who are parties to regulations and arrangements which prohibit Jews and coloured people from owning property or settling in certain areas where these same people live or own property. So it seems that while it was all wrong for us to do something to protect ourselves against the Japanese, it is quite right for others to discriminate against Jews or members of the coloured races. I have often wondered how people can hold such contradictory points of view.

Hon. Mr. Euler: May I ask the honourable senator a question. I can understand his attitude with regard to the Japanese during the war, but does he think that the treatment Japanese property-owners received after the war was fair and honourable?

Hon. Mr. Reid: I am glad that the honourable senator from Waterloo (Hon. Mr. Euler) has asked me that, because it gives me an opportunity to cover the question a little more fully. The government at the time was faced with the problem of what to do with the property which these Japanese had vacated. If in the interests of the national safety it was right to move these people, they had to be taken away from their homes and their properties. Two considerations were before the government. The boys and the parents of the boys who offered themselves for our defence were asking: "Are you going to allow the Japanese to carry on and retain their properties while Canadian soldiers are overseas hazarding their lives,—many of them, perhaps, never to return?". Also, as soon as the occupants vacated their properties, deterioration began. Some of the damage was caused by mischievous people who are always ready to do harm to any vacant property, whether Japanese or not. We all know that if a house is left empty for a week, one or more windows will be broken, and if it is unoccupied for a month, the window frames and the doors probably will be gone. So, of course, this property deteriorated when the Japanese vacated it.

Hon. Mr. Euler: But not through their fault.

Hon. Mr. Reid: I am about to deal with the matter of price, because I know that is regarded as all-important. The government appointed a commission of, I believe, five to value the properties. Again, now that the era of fear has passed, there will be those who would discredit what was done. But at the time this property was valuated and bought by the Canadian government for our soldiers, you could have gone into the Fraser Valley and purchased better property for less than the government paid for the Japanese holdings. I state that without fear of successful contradiction. In the year 1940 property in British Columbia sunk to the lowest level in my experience. Not only Japanese land, but any property, and as far back as the interior of the province, was to be had for from half to a quarter of its original cost. The government valuators were men of experience, and they paid for the property more than it was really worth at that time. In other words above the market value at that time. Of course, when Japan capitulated and the war ended, property values increased —and they are still increasing. As I have said, one must realize the conditions at the time the Japanese were moved and the properties sold, and I repeat that it cannot be denied that the prices paid were more than the properties were then worth.

Hon. Mr. Horner: Why, then, did Canada provide another quarter of a million dollars from the federal treasury to increase the purchase price?

Hon. Mr. Reid: That is another story. It was just done to placate certain interests. I could have purchased better property in the interior of the Fraser Valley than the Japanese property, and for less money than the government paid in 1940. That is something I know about.

Hon. Mr. Horner: I know something about it too.

Hon. Mr. Reid: I want to put something on the record now—

Hon. Mr. Euler: I do not like to interrupt my honourable friend, but I would like it understood that when I made reference to the Japanese people I had in mind those Japanese who were born in Canada and are Canadian citizens.

Hon. Mr. Reid: If honourable senators want to spend the whole afternoon on this subject I would be delighted, because these are questions which I can easily answer. I believe that the Japanese, including those who are Canadian born, are the only race who have claimed and enjoyed dual citizenship in this country. Until the outbreak of the last war every Japanese born in Canada had his birth registered in Japan and was claimed as a Japanese citizen. As a matter of fact all Japanese fishermen employed in British Columbia were listed in Japan's year book as nationals of that country.

I understand that at the present time half of the 3,000 prospective Japanese immigrants were born in British Columbia and left our

country to take up arms against us. Now that their country has been defeated are we going to welcome them back? I disagree with those who would allow this class to return. Personally I feel that you cannot mix whites and Orientals any more successfully than you can mix the white and black races. I hold that in the case of intermarriage the Oriental absorbs the Anglo-Saxon. We could never absorb them. Previous to the war, when a Japanese died in British Columbia his death certificate was sent to Japan. This is further evidence of the fact that Japan had a particular interest in the Japanese Canadians in British Columbia. Why is it that before the war those Japanese who were born in Canada would not renounce their Japanese citizenship? Not one of them would get up and say "I am a Canadian, and I want nothing at all to do with Japan." Of course, they will do it now because Japan is defeated. There is no doubt that the Japanese wanted to gain control of the North American continent, and had it not been for the Americans they might have achieved their ambition. I say that when we are in committee we should ask the government about these things. Is Canada again going to allow a mixture of races to be built up on the Pacific coast? I do not know the answer, but I should like to hear the view point of the government in connection with this part of the treaty. I understand that the government is awaiting the passing of this treaty before it will decide upon the entry into Canada of these 3,000 Japanese. I am willing to hazard the guess, however, that the whole 3,000 will settle in British Columbia.

No mention is made in the treaty about Japan's attitude towards the fur seal fishing industry. At one time a sealing agreement was reached to preserve the great seal herd off the Pribilof Islands. This treaty, with only two signatories, is still in existence.

Hon. Mr. Davis: Is Russia a signatory to that agreement?

Hon. Mr. Reid: Not now. Honourable senators will recall that just before Japan struck at Pearl Harbour, she signified her intention of withdrawing from this sealing treaty. At one time the seal herd was greatly reduced as a result of the ruthless slaughter of the seals; and so I should like to know Japan's present attitude towards this agreement.

There are other matters affecting the Japanese Peace Treaty which should be discussed in committee. For instance, many Canadians have substantial claims for property damages, and I for one would like to know what has happened to the hundreds of thousands of prisoners of war. The Canadian public should know something about these things. Canadians living in the central provinces and in the Maritimes have looked towards Great Britain and Europe for centuries now, and perhaps they are not as intersted in what happens in the Pacific as they might be; but I am one who holds that we had all better take more notice of what happens in the Orient.

I wonder how many honourable senators are aware that Soviet traders are now offering goods which are in short supply in India and Japan in trade for other goods. As a matter of fact, the Soviet is flooding western Germany, and even Britain, with propaganda expressing willingness to trade in goods that both these countries lack. Russia is even offering to sell coal to Japan at $10 per ton as against United States coal at $30 per ton. It should be noted that in 1951, as part of the Soviet cold war, we had a Soviet-inspired peace signature campaign. Honourable senators will recall how many thousands of Canadians were duped into signing these so-called "peace" cards, only to find that they were Soviet inspired. This year there is a Soviet world wide economic drive for trade, and Stalin hopes to undermine the unity of the allies by exploiting the present unbalance in world trade. Russia is ready to furnish raw materials to war-weakened Europe and the Far East, and to buy their capital goods in return.

Attention should also be paid to the World Trade Conference to be held in Moscow on April 3. It has been said that the conference will seek to improve the living standards of the world's peoples through peaceful co-operation, but in reality the conference aims to split the countries of the free world and extend the ruble bloc. The Soviet, although not a signatory to the Japanese Peace Treaty, nevertheless maintains a seat on the Allied Council and keeps hundreds of its trade officials and other members of its staff in Tokyo. If the Soviet signs a bilateral trade treaty with Japan, it might make the present Japanese Peace Treaty abortive to quite an extent. As I have already pointed out, the Soviet was given Sakhalin Island, and this brings Soviet guns close to the Island of Honsu, the capital city of which is Hokkaido. It was decided at Yalta to strip Japan of these islands and of its coal reserves, and fisheries, and of its sources of supply of milk and manganese on the Island of Honsu.

Now I want to call attention of honourable senators to the Treaty of Friendship, Alliance and Mutual Aid which was entered into by Soviet Russia with the peoples Republic of China on the 14th of February 1950. This is of interest to the Canadian people, especially, because of the effect it may have

on our future dealings with the Japanese after the treaty we are now considering has been ratified. The first part of the treaty between Russia and China says:

> The High Contracting Parties agree that they will undertake jointly all necessary measures at their disposal to prevent any repetition of aggression and violation of peace on the part of Japan or any other state which directly or indirectly would unite with Japan in acts of aggression. In the event of one of the agreeing parties being subjected to attack by Japan or any state allied with her, thus finding itself in a state of war, the other contracting party will immediately render military or other aid with all the means at its disposal.

In an article in the Ottawa *Citizen* of March 25, 1952, R. M. Baldwin points out that the text of the treaty may be found in *Current History* for April, 1950. He goes on to say:

> It would seem unwise to underestimate the significance of the Sino-Soviet treaty. Whether we like it or not, China is the touchstone in the Far East today and the peoples of Asia are examining every phase of the Chinese experiment very closely indeed.
>
> We would be unwise to be contemptuous of Moscow's promise of economic aid and technical assistance. It may not be so much in actual dollars, but in a land like China American dollars go far. The tractors, looms, electrical equipment and rolling stock are reportedly arriving now, with no known political or other strings attached.

Mr. Baldwin concludes his article with these words:

> In elaborating policies for the security of the free world, Western governments would do well to have in mind the terms of the Sino-Soviet Treaty and to assume that the treaty means what it says. Unless the West continues to aim at limiting and reducing hostilities in the Far East, Japan will be cut off from its normal relations with the expanding markets of the mainland, and graver military complications may arise. Moreover, unless the Commonwealth sets its sights high in the Colombo Plan, co-operation between China and its Soviet ally may achieve results that will prove more impressive to the peoples of Asia.

Just this morning I received in the mail a copy of the Vancouver *Sun* of Monday, March 31, in which I noticed an interesting report of an interview with Hon. W. C. Woodward, president of one of the large department stores in Vancouver, who has just returned from a world tour. I shall read just a sentence or two from the report:

> "We have to open up a market here for Japanese goods," Mr. Woodward said. "If there's no market in the free world for their goods, 82,000,000 Japanese will go over to the communist market. It's as plain as that."

That substantiates the point that I have been making here this afternoon. When Japan is ready to start shipping goods to us, we in this country should see to it that we trade as freely as possible with her. In the past we have tried to hamper Japan in her efforts to build up a bigger foreign trade, but now it is in our interest to encourage her development, for we need her help against Soviet Russia and the present regime in China. It will be recalled that Napoleon, when speaking of the China of his day, said, "She sleeps, and it is well for the world." But China has awakened. Yet I doubt whether it is generally realized in parliament and throughout the country that what the people of China and of other countries of the Far East want more than anything else is the kind of freedom and the way of life that we have in the western world, and that they seek from us a recognition of their rights as individuals to that kind of freedom and that kind of life.

My main purpose in speaking this afternoon was to draw attention to these matters. I trust the Honourable the Minister of Fisheries will not long delay the making of a fisheries treaty. Because of Russia's attitude we took too much time in negotiating this peace treaty with Japan. In spite of the fact that Russia is not one of the occupying powers in Japan and is not one of the parties to the treaty, she is building up her trade with that country in a great variety of goods. If we on our part do not exert ourselves to extend our commercial relations with Japan, the picture in the future may not be so very bright for us.

As honourable senators know, the following words, composed by the late J. A. Ritchie, K.C., of Ottawa, are carved over the main entrance to this parliament building:

> The wholesome sea is at her gates,
> Her gates both East and West.

Too long we have been looking at only one of those gates, unmindful of the fact that the new spirit in the Far East has made the gate on our Pacific Coast of tremendous importance to Canada and all her people.

Hon. R. B. Horner: Honourable senators, I had not intended to make any remarks at all on the Japanese Peace Treaty, but I am rising because I believe the discussion, while very interesting, has wandered far afield from the subject of the treaty itself. I am concerned, as is the senator from New Westminster (Hon. Mr. Reid), to see that we treat the Japanese people properly. If I remember rightly, my honourable friend's former complaint was that the Japanese in British Columbia were willing to work such long hours that other people could not compete with them.

Let me mention just one incident to show how the Japanese were sometimes treated on the Pacific coast. Having had some personal experience with the clearing of land and the building of a house, I think that I know something about the value of property. On one occasion I was travelling in the west within perhaps a mile of the

honourable senator's own city, and I was talking to a man whom I have known for forty years and who himself has been on the land for ten years longer than that. In my opinion he is a good judge of property values. He took me to see a house that had been taken away from a Japanese, a hard working man who had caused no trouble. My friend told me that the property was then worth $7,000—it would be worth a good deal more today—but that the Japanese had been allowed only $1,700. A thing like that causes me a great deal of concern.

I endorse every word that the senator said about our need to build up trade with Japan. But, as I said the other day, I think we are becoming over-industrialized, and are not paying sufficient attention to the economics and development of what is and must be for years to come our chief and basic industry, namely, agriculture. Certainly we ought to produce enough milk and butter for our own consumption, so that it would not be necessary to import these foods. I repeat, we are becoming over-industrialized. We are now exercising certain prohibitions against Japan in the shipbuilding industry, when it is obvious that she could build ships for a third of what it would cost us to build them. At the same time we are preventing the importation of certain British-made automobiles. All this is being done to protect and stimulate Canadian industry.

The Japanese people who emigrated to Canada have been kept, for the most part, on the west coast. There they have made their homes, and they know little or nothing about making a living in any other part of Canada. Yet, when some of them were forced to go to the sugar-beet growing area of Alberta, they were content to settle and make their living there. If we are seriously considering friendship with the Japanese and intend to live up to the terms of this treaty, we should encourage trade between the two countries and allow them to migrate to and settle anywhere in Canada.

The resolution was agreed to.

CONSIDERATION OF SUBJECT MATTER POSTPONED

Hon. Mr. Robertson: Honourable senators, with reference to the consideration in committee of the subject matter of this treaty, I should point out that it is not feasible for the minister concerned to attend until some time next week. Therefore, in view of the pending Easter recess, there is no alternative but to postpone the meeting until the Senate resumes. In the meantime I undertake to have the matter placed before the minister. The treaty itself has now been approved, and the Committee on External Affairs will have the opportunity of discussing the subject matter after the Easter recess.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 3, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King) in the Chair.

Prayers and routine proceedings.

TOURIST TRAFFIC

NEWSPAPER ARTICLE

On the Orders of the Day:

Hon. Gordon B. Isnor: Honourable senators, with leave of the Senate I should like to call the attention of the leader of the government to an article headed "Higher Canadian Dollar May Hurt Tourist Trade", which appeared in this morning's Ottawa *Citizen*. I feel quite sure that if the honourable senator from Lethbridge (Hon. Mr. Buchanan), who is chairman of the Tourist Traffic Committee, were in the chamber today, he would have something to say about the article to which I refer. As this is our last meeting before Easter, I am taking the present opportunity to bring this matter to the attention of the government.

Reference is made in the article to the fact that today our dollar is worth $1.02 in relation to the American dollar, and it is assumed that this condition may discourage the spending of United States money in Canada by tourists. The writer goes on to make this statement:

> But the influx of American tourist visitors starts after Easter, and officials say that they wouldn't be surprised to receive complaints from Americans unaware that their money is no longer worth more than Canadian funds.

I urge the leader of the government (Hon. Mr. Robertson) to impress upon the responsible minister or the Canadian Tourist Bureau the importance of offsetting what is, perhaps, harmful propaganda; and I believe the way to do this is to advise United States tourists that, as far as their personal transactions in Canada are concerned, the American dollar is worth just as much to us today as it ever was.

It seems to me, considering the amount of money which is spent in Canada by American tourists, that this article is rather unfortunate. I have in mind that last year our receipts from tourist business amounted to $286 millions. As sources of revenue from abroad, only wheat and newsprint rank higher in terms of dollars than the tourist trade, so the creation of a proper atmosphere is very important in so far as the American tourist is concerned. This is a subject in which I have always been interested. I speak from a fair knowledge of conditions in Nova Scotia. It is estimated that last year 337,000 tourists visited our province; and if we assume an expenditure of $7 per tourist and an average stay of ten days, receipts from this source would amount, roughly speaking, to nearly $25,000,000. When one thinks of the additional prosperity derived from this business in the other provinces, it seems evident that the matter is important enough to be looked into.

Hon. Mr. Baird: May I ask the honourable senator what he would suggest should be done when Americans charge from 15 to 17 per cent discount on our dollar?

Hon. Mr. Isnor: A philosophical habit of mind is good for any individual or any group of people, and if we apply ourselves to creating the right atmosphere we shall continue, I believe, to sell our Canadian products and services. Much new business has resulted from the enterprise and energy expanded in attracting American tourists to this country. Nova Scotia maintains an office for this purpose in New York, and its operations have proved very satisfactory. The more we can sell and the more dollars from abroad that are expended in Canada, the greater the general prosperity.

Hon. Mr. Euler: I did not quite catch the tenor of the resolution—if that is what it is—of my honourable friend. Does he suggest that the Canadian Government should assure American tourists that their dollar will be accepted at the same relative value as it was before it went to a discount?

Hon. Mr. Isnor: I said that we should endeavour to advise all American tourists that they can enter our stores and business concerns and receive 100 cents' worth of value for their dollar.

Hon. Mr. Euler: No government can do such a thing. Would my honourable friend suggest that if, as may conceivably happen, the American dollar should go to still a greater discount, say 5 or 10 or even 15 per cent, the Canadian Government should ask our businessmen to accept that American dollar at more than its true value? I would be absolutely opposed to that. I would remind my honourable friend that there are two sides to the question. In the past a good many Canadian tourists have had to pay a premium on their dollar when they visited the United States. The only course to follow is to let things find their own level. If American money is not worth what it was, the American tourists will have to suffer the consequences.

Some Hon. Senators: Hear, hear.

Hon. Mr. Isnor: I do not know if what my honourable friend from Waterloo (Hon. Mr. Euler) has just said was meant to be a question or a statement. If it is a question, I should have the privilege of replying to it. I am quite sure that such a good businessman as the honourable gentleman from Waterloo—

Hon. Mr. Euler: Thank you.

Hon. Mr. Isnor: —would be quite prepared to pay 2 cents on the dollar to an American market of 175 million people, if it meant bringing into this country millions of American tourist dollars—and that is what it would mean.

Hon. Mr. Reid: There is another aspect to this question. It can work two ways. Up until the time the coalition government was dissolved in British Columbia, American tourists in that province did not enjoy any premium on their dollar when crossing toll bridges or dealing in government-controlled stores. This was true even when our dollar was at a 5 per cent discount. The Americans resented this treatment, and now that their dollar is at a discount they will not like it if they have to pay a premium.

Hon. Mr. Euler: It is a case of "heads I win, tails you lose".

Hon. Mr. Lambert: I wonder if the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) has endeavoured recently to get American funds from a Canadian bank. If he has, I should like to know whether he was given the advantage of a 2 per cent premium.

Hon. Mr. Euler: He certainly was not.

Hon. Mr. Lambert: I am rather inclined to think that it was far from being a 2 per cent premium.

The Hon. the Acting Speaker: Orders of the Day!

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill G-6, an Act for the relief of Rowena Ann Christena Turner Rae.

Bill H-6, an Act for the relief of Jozefa Majcher Wozniak.

Bill I-6, an Act for the relief of Helen Semegen Boodanoff.

Bill J-6, an Act for the relief of Mary Ann Munro Kelly.

Bill K-6, an Act for the relief of Esther Maron Feldman.

Bill L-6, an Act for the relief of Joan Alexander Jacobs Epstein.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Haig: Honourable senators, with leave, I move that these bills be now read the second time. I would ask honourable senators to pass these bills today so that they may be sent to the other house before we adjourn for the Easter recess. I am afraid that during our absence the members of the other place may run out of work.

The passing of these bills today will mean that in the last three weeks we have sent over to the other house a total of 160 divorce bills. That ought to be enough to keep honourable members over there busy for a while.

Hon. Mr. Lambert: An Easter egg for them.

Hon. Mr. Haig: I am anxious also that they should send us some legislation, but apparently they do not realize that that is necessary.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. Haig: Honourable senators, with consent of the house I now move that these bills be read the third time.

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

THE LATE SENATOR QUINTON

TRIBUTES TO HIS MEMORY

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators have been apprised of the passing yesterday morning of one of our esteemed colleagues, the Honourable Herman William Quinton, C.M.G. We feel that his passing is all the more regrettable since few of us were destined to know him as well as we should have liked, for there was much for all of us to have gained from acquaintance with so active and faithful a son of Canada's newest province.

The late Senator Quinton was born at Red Cliff, Bonavista Bay, Newfoundland, on the 26th of October, 1896. He commenced his career as a schoolmaster in 1913, when of a tender age. During World War I he served with the British Expeditionary Force in France and Belgium, enlisting as a private and rising to the command of his unit. After the war he served as Dominion Secretary-Treasurer of the Great War Veterans Association, from 1924 to 1928, and he was engaged in business as manager of an export division of the Monroe Export Company.

Senator Quinton entered public life in 1928, when elected a member of the Newfoundland House of Assembly for Bonavista South; and

on his re-election, in 1932, he was appointed Minister of Public Works and Chairman of the Newfoundland Highroads Board. For many years he served as a district magistrate, and in this capacity travelled extensively throughout Newfoundland and Labrador. In 1943 he was seconded from the Department of Justice to the Department of Public Health and Welfare, to organize a system of local government, and from 1943 to 1946 was Director of Local Government Affairs. In 1947 he was appointed Commissioner for Public Health and Welfare, and continued in this office until the Commission of Government terminated, in March 1949.

Our late colleague was an influential and outspoken advocate of confederation with Canada, and became the first Minister of Health in the newly formed provincial government, later assuming the Finance portfolio. In 1949 he was created a Companion of St. Michael and St. George in the last Newfoundland Honours List. He was summoned to the Senate on the 24th of January, 1951.

On behalf of the members of this house, and particularly those on this side, I extend to the widow and the family of the late senator our sincere sympathy in their bereavement.

Hon. John T. Haig: Honourable members, I join with the leader of the government in expressing our sympathy to the widow and family of the late Senator Quinton.

Like the honourable leader, I regret very much that I was not better acquainted with our deceased colleague. Many of us will now realize that his presence here gave us an opportunity to know a man who had the unique record of having been a member of the Assembly of what I might term Old Newfoundland, a member of the Commission Government that followed it, a member of the first Assembly of the Province of Newfoundland, and a senator for Canada. For a man of his age, our late colleague indeed had a remarkable record, and Canada has suffered a great loss in the passing of one whose knowledge of the affairs of Newfoundland was so comprehensive.

On behalf of the senators on this side of the house, I wish to express sympathy to his widow and son. They must surely know that their husband and father contributed much, not only to his native province of Newfoundland, but to the Dominion of Canada.

Hon. A. B. Baird: Honourable senators, a short time ago I was at the bedside of Herman Quinton, and I realized then that he was approaching the end. Today I regard it as a great privilege to offer a word of comment and regret upon the passing of a most distinguished Newfoundlander.

My memory goes back over many years of the deceased senator's career. I knew him as a young soldier in France, fighting with his back to the wall in a regiment that was described by Field Marshal Earl Haig as "better than the best". I saw him receiving recognition for service to his country at the hands of our late sovereign King George VI, who conferred on him one of the highest honours available, the C.M.G. I knew him as a great patriot, a man who loved his country and who was noted for his integrity and sound judgment. His long years in public life will leave in his native province a profound respect for his memory.

I think I can say without hesitation that our late colleague achieved his greatest ambition when he became a member of this body. His early passing is a great loss to this chamber, and to those of us who knew Herman Quinton personally, but it is a far greater loss to his native province of Newfoundland.

I take this opportunity of conveying to his wife and son my deepest sympathy. We mourn the passing of one of Newfoundland's illustrious sons.

Hon. Vincent P. Burke: Honourable senators, as one who knew the late Senator Quinton very well, I should like to say just a few words about the splendid service he rendered to Newfoundland. As a member of the Commission Government he played his part well; indeed in every role he assumed during his extensive public life, he served his province well.

I am sure that all of us in this chamber, who mourn his passing today, would wish to express to his widow and son our sincere sympathy.

Hon. Michael Basha: Honourable senators, yesterday was indeed a very sad day for me when I learned of the passing of my room-mate, Senator Quinton, for I had known him not only since he became a member of this house, but since 1915, when we were boys together, and I had followed his activities in various phases of both public and private life.

There is little that I can add to what has already been said in tribute to the late senator, but I wish to join most sincerely with the other speakers in expressing my deepest sympathy to his wife and son.

Hon. A. N. McLean: Honourable senators, in the passing of Senator Quinton this honourable body has lost a valuable member, and many of us who knew him well have lost a good friend.

I first met the late senator some years ago when he was one of the Commissioners in the Commission Government of Newfoundland.

As has already been said, when Newfoundland entered confederation, our late colleague became a member of Premier Smallwood's cabinet. Subsequently he was appointed to the Senate.

Our late friend was a fine host, and any businessman who visited him on the island always enjoyed his hospitality.

Senator Quinton's life was devoted to public service, and the record he achieved is an enviable one. He will be greatly missed in his own province, which he served so well. Although his time with us in the Senate was short, he will be remembered as a man who was both congenial and earnest, and who gave the best of service to the people who during his public career put their confidence in him.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, the business presently before the house and in committee has been completed and, as far as I have been able to ascertain, there is no immediate likelihood of legislation coming to us from the other place. I shall, therefore, in a few minutes move that the house adjourn until April 29 next.

In the meantime I should like to point out to honourable senators that the other house will be sitting two days next week, and will return before the date at which the Senate now proposes to resume. I have, therefore, taken the usual precaution of moving that, should any emergency arise, His Honour the Speaker shall be empowered to summon the Senate. Such action would be taken only in an extreme situation; but honourable senators who live some distance from Ottawa will govern themselves accordingly. I am hopeful that by the time our sittings are resumed there will be some legislation before us for consideration.

I should like to again draw the attention of honourable senators to the invitation which this house authorized His Honour the Speaker to issue on our behalf to our distinguished American visitors who will be in Ottawa on April 30 and May 1 next. As honourable senators know, the courtesy of seats on the floor of this chamber will be extended to our distinguished guests on May 1. On the previous evening, Wednesday, April 30, a dinner will be given in the Parliament Buildings to the Honourable Guy Gillette and the Honourable Owen J. Roberts, an ex-Justice of the Supreme Court of the United States. The exact place has not yet been decided upon; it may depend on the number of those who express a desire to attend. In the absence of the Whips during the recess, my office has assumed responsibility for distribution of the tickets. While I shall make it my business to write personally to every honourable senator, I hope that those of our members who are able to do so will signify to my office before they leave Ottawa whether they wish to attend, and how many tickets they will require.

I hope the Senate will be well represented, not only because of the personal distinction of our guests, one of whom is a member of the United States Foreign Affairs Committee, but because their attendance is in the spirit of the resolution introduced here two years ago by the honourable senator from Waterloo (Hon. Mr. Euler), looking to further co-operation among the parties to the North Atlantic Pact. It will be a very interesting occasion. Both of our distinguished visitors will speak. All honourable senators who can do so will, it is hoped, not only attend themselves, but will bring their wives as well. It is not expected that the limit of accommodation will be reached unless the demand is extraordinarily large.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that when this house adjourns it stand adjourned until Tuesday, April 29, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned until Tuesday, April 29, at 8 p.m.

55708—12½

THE SENATE

Tuesday, April 29, 1952

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

Prayers and routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—MESSAGE OF THANKS FROM HIS EXCELLENCY

The Hon. the Speaker informed the Senate that he had received a message from His Excellency the Governor General reading as follows:

The Honourable The Members of the Senate:

I have received with great pleasure the Address that you have voted in reply to my Speech at the opening of parliament. I thank you sincerely for this Address.

Vincent Massey

VICTORIA DAY BILL

FIRST READING

A message was received from the House of Commons with Bill 2, an Act to amend the Victoria Day Act.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. McKeen presented Bill R-6, an Act respecting the Burrard Inlet Tunnel and Bridge Company.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Stambaugh presented Bill S-6, an Act to incorporate the Hotel Mutual Insurance Company.

The bill was read the first time.

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

Hon. Mr. Stambaugh: With leave of the Senate, I should like to move second reading tomorrow, because I believe I shall be unable to be here on Thursday.

SUPREME COURT BILL

FIRST READING

Hon. Mr. Robertson presented Bill T-6, an Act to amend the Supreme Court Act.

The bill was read the first time.

INTERPRETATION BILL

FIRST READING

Hon. Mr. Robertson presented Bill U-6, an Act to amend the Interpretation Act.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Dupuis presented Bill V-6, an Act to incorporate the Great Eastern Insurance Company.

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill M-6, an Act for the relief of Ludwik Bulkiewicz.

Bill N-6, an Act for the relief of Jean Betton Harris.

Bill O-6, an Act for the relief of Violet Mary Bailey Black.

Bill P-6, an Act for the relief of Corinne Larocque Sergent.

Bill Q-6, an Act for the relief of Omer Montpetit.

The bills were read the first time.

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

Hon. Mr. Aseltine: Next sitting.

GOVERNMENT LEGISLATION

INTRODUCTION IN SENATE BY MINISTERS

On the orders of the day:

Hon. J. W. de B. Farris: Honourable senators, I should like to ask my honourable friend the leader of the government a question, prefaced by this observation: Some few years ago, after considerable discussion, the rules of this house were amended in such a way as to enable cabinet ministers, pending the conclusion of lengthy debate on the Speech from the Throne and matters of that kind which every session takes place in the other house, to introduce legislation in the Senate. To date the Honourable Mr. Chevrier, I believe, is the only minister who has taken advantage of this amendment.

Hon. Mr. Lambert: And the Honourable Mr. Claxton.

Hon. Mr. Farris: I was not here when he spoke.

I should like first to ask my honourable friend, if any important measures are likely to come up in the other house? Secondly, if so, is there any reason why, pending the discussion that is now going on over there, one or more of such measures should not be introduced in this house? Thirdly, has my honourable friend made any representations to the government in an endeavour to have more important government legislation introduced in this house?

Hon. Wishart McL. Robertson: Honourable senators, in reply to my honourable friend I may say, first, that there is important legislation to come before parliament; secondly, there is legislation which in my personal opinion could very properly be introduced in the Senate instead of the other place and thirdly, I have in the past used whatever persuasive powers I possess to induce the government to introduce as much legislation as possible in this house. Although my efforts have not always been as successful as I and other honourable senators might hope they would be, that is no reason why I should not redouble my efforts in that direction, and that I undertake to do.

Some Hon. Senators: Hear, hear.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 30, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill O-5, an Act respecting the Board of Elders of the Canadian District of the Moravian Church in America.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 2, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Stambaugh: With leave of the Senate, I move the third reading now.

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

PRIVATE BILL

REFUND OF FEES

Hon. Mr. Roebuck: Honourable senators, with leave of the Senate, I move that the parliamentary fees paid upon Bill H-3, an Act respecting the Royal Canadian Academy of Arts, be refunded to Mr. W. L. Sommerville, solicitor for the petitioners, less printing and translation costs.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill M-6, an Act for the relief of Ludwik Bulkiewicz.

Bill N-6, an Act for the relief of Jean Betton Harris.

Bill O-6, an Act for the relief of Violet Mary Bailey Black.

Bill P-6, an Act for the relief of Corinne Larocque Sergent.

Bill Q-6, an Act for the relief of Omer Montpetit.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move that the bills be read the third time now.

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

PETITIONS WITHDRAWN

The Senate proceeded to consideration of reports Nos. 168 and 169 of the Standing Committee on Divorce.

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved concurrence in the reports.

He said: Honourable senators, these reports have to do with the withdrawal of the two petitions to which they relate, and I assume there will be no objection to that. The effect of the first report is to allow the petitioner to withdraw the petition, and the committee recommends that the parliamentary fees paid under Rule 140 be refunded to the petitioner, less printing and translation costs. The second report is to the same effect.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. Wesley Stambaugh moved the second reading of Bill S-6, an Act to incorporate the Hotel Mutual Insurance Company.

He said: Honourable senators, the purpose of this bill is the incorporation of the Hotel Mutual Insurance Company by a group of Albertans, namely Douglas Earl George, bank manager of Edson and Eugene Pechet, hotel proprietor and Russell Driscoll, barrister, both of the city of Edmonton. These three gentlemen are the provisional directors. After the formation of the company a board of directors will be elected consisting of not less than nine and not more than twenty-one members.

The capital stock of the proposed company will be $3 million, of which $250,000 shall have been subscribed before the general meeting is called. Business may be commenced only after $500,000 of the capital stock has been subscribed, and $300,000 paid thereon.

Section 6 of the bill sets out twenty-six classes of insurance for which the company may make contracts. The company will operate under the general rules and provisions of the Canadian and British Insurance Companies Act, 1932.

As the name of the company would indicate, its main purpose is to insure hotels; however, it is to be both a mutual and a

stockholders company. The policyholders as well as the shareholders will participate in the profits. Persons who buy a policy of not less than $5,000 will be entitled to attend the annual meeting and vote in the election of directors.

I am informed by the Superintendent of Insurance and the Parliamentary Counsel that the general provisions of the Insurance Act have been complied with. It is my intention, after the measure has received second reading, to move that it be referred to the Standing Committee on Miscellaneous Private Bills, at the meeting of which the solicitor of the company and one of the directors will be present to answer any questions honourable senators may care to ask.

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

REFERRED TO COMMITTEE

Hon. Mr. Stambaugh: Honourable senators, I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

CANADA DAIRY PRODUCTS BILL

SECOND READING POSTPONED

On the order:

Second reading of Bill (B), an Act to amend The Canada Dairy Products Act.

Hon. W. D. Euler: Honourable senators, may I be permitted to explain that it was my intention to proceed today with the second reading of this bill, but there are so many activities in which honourable senators are interested, connected with the visit of our friends from the United States, that with the consent of the house I will defer my motion until on or about Wednesday of next week.

VISIT TO OTTAWA OF DISTINGUISHED AMERICANS

ASSEMBLY OF THE SENATE

Hon. Wishart McL. Robertson: Honourable senators, I move that when the house adjourns today it stand adjourned until 2.45 p.m. tomorrow.

The reason for this motion is that, before the Easter recess, as honourable senators may recall, this house invited certain distinguished American visitors to be presented to the Senate, and this event will take place tomorrow afternoon shortly after 3 o'clock. Our guests will be leaving on the afternoon train to return to their homes, so, in order that we may have a little more time at our disposal, I am suggesting that we assemble a quarter of an hour earlier than usual.

The motion was agreed to.

MEETING OF EXTERNAL AFFAIRS COMMITTEE

Hon. L. M. Gouin: Honourable senators, I should like to remind the members of the Committee on External Relations that the committee is meeting this afternoon at 3.30 o'clock in Committee Room No. 262, in order to meet Senator Gillette and other distinguished friends who are visiting Ottawa at this time. Every member of this house, whether a member of that committee or not, will be welcome at the meeting.

The Senate adjourned until tomorrow at 2.45 p.m.

THE SENATE

Thursday, May 1, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Euler presented Bill D-7, an Act respecting the Economical Mutual Fire Insurance Company.

The bill was read the first time.

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

Hon. Mr. Euler: Tuesday next.

VISIT TO OTTAWA OF DISTINGUISHED AMERICANS

GUESTS OF THE SENATE

On the Orders of the Day:

The Hon. the Speaker: Honourable senators, you will recall that on the second day of April last this house adopted the following motion:

That His Honour the Speaker be asked to extend an invitation to occupy seats on the floor of the Senate, as guests of honour, to a group of prominent members of the United States Congress and others headed by the Honourable Senator Guy M. Gillette, who will be visiting Ottawa on Thursday, May 1, 1952.

Pursuant to this motion, an invitation was sent to the Honourable Senator Guy M. Gillette and the Honourable Owen B. Roberts, for themselves and their colleagues.

These two gentlemen graciously accepted the invitation, and they have brought with them the honourable Mr. Leroy Johnson, a member of the United States House of Representatives. These gentlemen have been attending the meetings of the Standing Committee on External Affairs, and are now in the anteroom of the Senate chamber. I suggest that the leaders on both sides of the house should conduct them into the chamber, introduce them, and escort them to seats reserved for them on the floor of the house.

Hon. Senators: Hear, hear.

The distinguished visitors were thereupon escorted into the chamber and introduced to His Honour the Speaker, as follows:

The Honourable Guy M. Gillette, by Hon. Wishart McL. Robertson.

The Honourable Owen J. Roberts, by Hon. John T. Haig.

Representative Leroy Johnson, by Hon. L. M. Gouin.

Hon. Wishart McL. Robertson: Honourable senators, early last month this house was informed that Senator Guy M. Gillette and Representative Leroy Johnson, members of the Congress of the United States, and Honourable Owen J. Roberts, ex-Justice of the United States Supreme Court and President of the Atlantic Union Committee, were to visit Ottawa under the auspices of the External Affairs Committees of our two houses of parliament, and as a result specific invitations were extended to these gentlemen by Senator Gouin and Mr. Joseph Bradette, M.P., the chairmen of these two committees. On April 2 this house resolved that His Honour the Speaker be asked to invite them to occupy seats on the floor of the Senate as guests of honour, and it is now my pleasant privilege to join in welcoming, on your behalf, the distinguished visitors from the United States who have just been introduced to His Honour the Speaker.

Hon. Senators: Hear, hear.

Hon. Mr. Robertson: We welcome them, not only because of the prominent positions they occupy in their own country, but in recognition of their efforts to bring about ever closer co-operation between the countries of the western world, on the success of whose joint efforts the fate of mankind so largely depends.

The presence of these distinguished visitors is of particular interest to members of this chamber, since two years ago we ourselves passed a resolution approving the calling of a convention of representatives of all political parties of the democratic world which sponsored the North Atlantic Treaty, with others, to explore ways and means by which, within the framework of the United Nations, there might be a closer co-operation in all matters of common interest.

The events of the last two days have borne ample evidence of the awareness of our distinguished visitors of the urgent need of further co-operation among our respective peoples.

We congratulate them on the leadership they are displaying, and the inspiration of the message they bring. During recent years the negotiations leading to the creation and maintenance of the North Atlantic Treaty Organization have resulted in the members of the governments and permanent officials of the countries concerned achieving a degree of personal friendship and understanding that has accomplished much in the past, and will, I believe, accomplish much in the future. But, as has been so clearly demonstrated during the discussions, no such relations exist

between the several legislatures themselves, although they in the final analysis must approve all decisions arrived at by the executive branches of their respective governments. There are strong arguments in favour of early consideration of what appropriate steps could best be taken to remedy this situation.

May I say to our distinguished visitors how much we in this house appreciate the leadership that their great country, the United States of America, has given and is giving to mankind the world over.

Hon. Senators: Hear, hear.

Hon. Mr. Robertson: The road to peace and to a fuller life for all may be long and difficult. Many obstacles will be encountered, and must be overcome. Nevertheless, it is our earnest hope and firm belief that under the leadership of your great country, of which you, our distinguished visitors of today, are such outstanding examples, all will in due course be well.

We welcome you, we thank you for coming, and we extend to you our best wishes for continued success. You have done us a great honour in accepting our invitation to be received by the Senate of Canada.

Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable members, I can rightly say "amen". I heartily agree with everything the honourable leader of this house (Hon. Mr. Robertson) has just said. All I need add is that, as two of our visitors are at present engaged in parliamentary life in their own country, and the third is a distinguished ex-Justice of the Supreme Court of the United States, they can judge of our sentiments by the unanimity with which this house receives them here today. It is the first occasion of the kind in eighty-five years. Never before have men from another country been invited to sit on the floor of this house while parliament has been in session. The Senate of the Congress of the United States set this parliamentary precedent, I think in 1902, when it received the two leaders of the Canadian Senate, the late Right Honourable Sir Mackenzie Bowell and the late Right Honourable Raoul Dandurand. We are now returning that compliment to the Senate of the United States.

Honourable gentlemen, we have been encouraged and enlightened by the representations that your delegates have made to the people of Canada through these houses of parliament. I may say quite candidly that I am not surprised that the Senate of Canada, one of the two houses of parliament, should take a greater interest in this question than any other part of Canada. Our experience as legislators and businessmen make us realize the great contribution that the people of the United States have been making for several years now in the interests of peace and good will throughout the world. We as Canadians can proudly say to the civilized world that we have lived alongside the United States for some one hundred and twenty-five years without any dispute having arisen that could not be settled by arbitration. We are extremely delighted to welcome you gentlemen, both as congressmen and as friends and brothers in the cause of freedom.

Honourable gentlemen, on behalf of those on this side of the house I would ask our distinguished guests, when they return to the United States, to tell their countrymen that we Canadians appreciate what they are doing, and that we join with them in the hope that the cause of freedom and peace on this earth will prevail in the years to come.

Some Hon. Senators: Hear, hear.

Hon. Guy M. Gillette (U.S. Senator): Mr. Speaker and honourable senators, I should be somewhat less than human if I attempted to say that I was not particularly happy at this time. I should be less than courteous if I took advantage of this concession, this consideration on your part in allowing us to come into your chamber as guests, should I attempt to abuse it by making a speech. I am not going to do that. I appreciate your wonderful invitation to come up to Canada to discuss with your people a matter of mutual interest. As a member of the United States Senate, I accept the many courtesies that have been extended to us here—culminating in this unusual privilege of occupying a seat on the floor of this chamber—as courtesies extended not only to our country but to its legislative bodies, of which I and my colleague are members. We accepted the invitation, and we appreciate it in the spirit in which you extended it.

May I just say one word in expression of a thought that came to me as I waited in the corridor? It has been my privilege to attend legislative assemblies abroad, in London and in Paris, and as a member of a legislative body I am always interested in observing the ceremonies, the rules of procedure, the various methods that have been adopted in various countries. They differ in the respective countries, but there is one respect in which they are absolutely similar: they are simply the instrumentalities of a philosophy of government which recognizes the people themselves as being the repository and source of all power; and they are the agencies through which that power is translated into rules for the government of the respective peoples. In that, as I say, there is absolute similarity;

and differences in ceremonials—as, for instance, sir, whether you are addressed as "Mr. Speaker", "Mr. President", "Mr. Chairman", or by some other designation—are of no importance whatever.

May I express another thought, and then take my seat? I have listened to the very gracious remarks of the leader of the government and the leader of the opposition. Now, I see down here a corridor that separates the government—those of you who represent the majority point of view—and the opposition—those of you who represent the minority point of view.

An Hon. Senator: Not many.

Hon. Mr. Gillette: In the United States Senate and the House of Representatives we have a much narrower corridor separating the majority from the minority. But notwithstanding the width of your corridor, you senators, I am confident, have only one thought in mind: the interest of your great country. You may have different ideas as to how that interest is to be served, but regardless of that corridor which separates you, you are working together. And I want to say that between your country and ours there is an imaginary line that has been existing for a long time and will, undoubtedly, exist for a long time yet; but over the years, as the decades have gone by that imaginary line has grown to mean less and less, and I am convinced that it will mean still less and less in the future—not that our countries are going to be joined, but because the line is simply a geographical one, not a line that separates us as exemplars and advocates of the political freedom that our nations stand for.

Now, just this in closing: on behalf of the United States Senate, of which I have the honour to be a member, I thank you for all the gracious courtesies that you have extended to us, and I assure you that I shall carry back to the Senate of the United States a report as appreciative as I can express it of the wonderful kindnesses you have shown us. And if any or all of you will visit Washington and call at the office of the Senator from Iowa, who is now speaking to you, Senator Gillette, it will give me extreme pleasure, on behalf of our country, to show you at least some of the courtesies that you have shown to us.

I thank you.

(*Applause.*)

Representative Leroy Johnson: Mr. Speaker, honourable senators, this is a very unusual occasion for me, for as far as I can see into the future, this is the only Senate that I shall ever talk to. Senator Gillette is a member of the United States Senate, something that I am confident I shall never be. Now, for an indication of how human you Canadians are, I only have to look at the second item in your Minutes of Proceedings for yesterday, which refers to a petition of the Garrett Corporation of the city of Los Angeles, in the State of California. I am from California, and, as you know, Californians always advertise their country.

It is hard for me to express the pleasure, and more, the knowledge and the information that I have gained during my several days here in Ottawa. We appreciate tremendously your invitation to come here to consider some serious problems with the members of your parliament. You are just like we are, under a cloud. The world is still divided, despite the fact that we tried to unite it in 1945; and we, like you, are probing and studying and thinking and questioning to find a way to unite the world so that we may have a rule of law instead of a rule of force. That is what we are trying to do; and representative government all over the world, no matter what its particular mechanics may be, is struggling for the same thing—to find a way whereby human beings, great populations with diverse backgrounds, conditions, interests, and whatnot, can settle their problems as Anglo-Saxons do, namely, by submitting them to a court or other tribunal for decision on the basis of evidence, equity and merit.

You are trying to do that; we are trying to do it; but we cannot do it in a compartment by ourselves. I have come to the conclusion, as many other Americans have, and as you people have, that the world is too small for compartments. As long ago as 1920, when Alcock and Brown took a plane from Newfoundland to Ireland, anybody who thought about the matter for a moment could see that the world was gradually being compressed. And as time has gone on and transportation has become more speedy and weapons more powerful, it has come to be imperative, in my opinion, that the free nations—who represent the will of the common man, and in whom resides all the sovereignty of their respective peoples—should find a way to settle international problems by peaceful and Christian means. That is what we came up to Ottawa to talk about.

It has been a great pleasure to meet with you parliamentarians, and on behalf of the House of Representatives, which is the house that is closest to the people in America, I want to tell you that I tremendously appreciate your invitation. We in that house are elected every two years; we cannot get away from the shadow of an election. Our people look to the members of the house—I have

700,000 who look to me—to legislate for them. I do not want to legislate just for pressure groups, for those who have a selfish interest and want to get something out of the government or out of me. If I have the ability and the vision, I want to do something for the people, for their children and their grandchildren.

Think of this, my friends! More than half of the members of the United States Congress, including Senator Gillette and myself, have seen military service. The senator served in three wars; I served in one, the First World War. We are a freedom-loving and peaceful country, but half of our legislators have participated in the brutal art of warfare. This condition of recurring wars must end, and only the free peoples of the world who understand that men can get along together can bring an end to it. They are the people who can solve their conflicts and differences by peaceful means, in the courts, by arbitrations, conferences and so forth. That is the means by which we reflect the Christian spirit—that every man should love his brother as himself.

On behalf of my colleagues and myself, may I say that we are pleased and delighted, and consider it an honour to be invited to meet with the members of both bodies of your parliament. I have learned a great deal from the experience, and I presume Senator Gillette has too. We hope that our efforts will bear fruit that will bring everlasting peace to the world.

It is a great pleasure to be here, and I thank you for the honour of permitting me to address you.

(Applause.)

Hon. Mr. Robertson: Honourable senators, before we proceed to consider the business of the house, I may say that I have asked the sponsors of the various items appearing on the order paper to ask that they stand when they are called, so that we may have a further opportunity of meeting personally and talking with our distinguished visitors, who are shortly to leave by train for their homes.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill W-6, an Act for the relief of Ismena Archange Labatt Chipman.

Bill X-6, an Act for the relief of Rose Larocque Crawford.

Bill Y-6, an Act for the relief of Gladys Lucille Jane Annal Williams.

Bill Z-6, an Act for the relief of Emily Amelia Ahern Manhire.

Bill A-7, an Act for the relief of Margaret Joyce Berryman Thomas.

Bill B-7, an Act for the relief of Lillian Deutsche Payne.

Bill C-7, an Act for the relief of Murdoch Graham Nicholson.

The bills were read the first time.

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

Hon. Mr. Aseltine: With leave, at the next sitting.

The Senate adjourned until Tuesday, May 6, at 8 p.m.

THE SENATE

Tuesday, May 6, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Duffus presented Bill E-7, an Act respecting the Sisters of Charity of the House of Providence.

The bill was read the first time.

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

Hon. Mr. Duffus: With leave of the Senate, tomorrow.

PRIVATE BILL

FIRST READING

Hon. Mr. Vaillancourt presented Bill F-7, an Act to incorporate the Equitable Insurance Company.

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

Hon. Mr. Vaillancourt: With leave of the Senate, tomorrow.

FINANCE COMMITTEE

ADDITION TO PERSONNEL

Hon. A. L. Beaubien: Honourable senators, with leave of the Senate, I move that the name of Honourable Senator McDonald be added to the list of senators serving on the Standing Committee on Finance.

The motion was agreed to.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Stambaugh moved:

That the parliamentary fees paid upon the Bill O-5, an Act respecting the Board of Elders of the Canadian District of the Moravian Church in America, be refunded to Messrs. Duncan, Johnson & Co., Edmonton, Alberta, solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

RULES OF THE SENATE

ENFORCEMENT

On the Orders of the Day:

Hon. Mr. Haig: Honourable senators, before the Orders of the Day are proceeded with, I should like to point out that in my opinion this house has fallen into the habit of forgetting some of its rules. Rule 23 (f) of the Senate provides, among other things, that two days' notice must be given of a motion for the second reading of a bill. I can understand an honourable senator moving, in the case of emergency, that certain rules be suspended in order that a bill may receive first and second reading without delay, but I object to this practice in ordinary cases. If Rule 23 (f) is improper, let us amend it.

At present, when a bill is read a first time, His Honour the Speaker asks when it shall be read the second time, and quite frequently the sponsor of the bill moves that it be placed on the Order Paper for second reading the next day. This means that the debate on second reading often takes place just one day after honourable senators have first had an opportunity to look at the bill. Most of the bills that have been placed on my desk tonight are simple, consisting of only one section, but when a bill has ten or twelve sections it is an entirely different matter. I would suggest that in future any member who asks for second reading of a bill the next day should give some reason for so doing. I would make an exception in the case of divorce bills, because it is necessary to get them to the other house so that there will be no delay in their progress. We shall certainly be here for a couple of weeks yet before this session is over—

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: —and therefore there is no great rush to get on with the second reading of ordinary bills. In the future I am going to object to any request that a bill be given a second reading the next day unless its sponsor gives some good reason for it.

Hon. Mr. Vaillancourt: I have no objection to postponing the second reading of my bill until Thursday.

Some Hon. Senators: Oh, oh.

PRIVATE BILL

FIRST READING

Hon. Mr. Fogo presented Bill G-7, an Act respecting a certain patent application of the Garrett Corporation.

The motion was agreed to.

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

Hon. Mr. Fogo: Thursday.

Some Hon. Senators: Oh, oh.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill W-6, an Act for the relief of Ismena Archange Labatt Chipman.

Bill X-6, an Act for the relief of Rose Larocque Crawford.

Bill Y-6, an Act for the relief of Gladys Lucille Jane Annal Williams.

Bill Z-6, an Act for the relief of Emily Amelia Ahern Manhire.

Bill A-7, an Act for the relief of Margaret Joyce Berryman Thomas.

Bill B-7, an Act for the relief of Lillian Deutsche Payne.

Bill C-7, an Act for the relief of Murdoch Graham Nicholson.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: In view of what the senator from Winnipeg (Hon. Mr. Haig) has said about bills in general, with no special reference to the bills which I am introducing from time to time, as I presume there is no real emergency involved in these bills, I shall not move their third reading until Thursday next.

Some Hon. Senators: Hear, hear.

PRIVATE BILL

SECOND READING

Hon. Stanley S. McKeen moved the second reading of Bill R-6, an Act respecting the Burrard Inlet Tunnel and Bridge Company.

He said: Honourable senators, the statute incorporating this company was passed in 1910 and amended in 1924 and again in 1931. The company was authorized by the Act to build a tunnel under the First Narrows of Burrard Inlet and a bridge over the Second Narrows. The bridge was delayed for some years, and then the charter was turned over to the City of North Vancouver, the District of North Vancouver, the District of West Vancouver and the City of Vancouver, and the bridge was placed in charge of a board of six directors, consisting of the Mayor and a member of the council of the City of North Vancouver, the Reeve and a member of the council of the District of North Vancouver, the Reeve of West Vancouver and the Mayor of the City of Vancouver.

Section 1 of this bill proposes to change that, so that the Board of Directors shall consist of two members nominated by resolution of the council of the City of North Vancouver, two by resolution of the council of the District of North Vancouver, one by resolution of the council of the District of West Vancouver, and one by resolution of the council of the City of Vancouver.

Section 8 of the present Act makes the Railway Act applicable to this company, and the Railway Act authorizes the charging of tolls; but it is necessary to amend this section in order to clarify it and ensure that the company has authority to charge tolls on the vehicular and pedestrian traffic which crosses on a roadway on either side of the railway bridge. Section 8 (3) of the bill spells this out, and of course puts the tolls under the jurisdiction of the Board of Transport Commissioners, and section 8 (4) provides that the company may make rules and regulations governing that vehicular and pedestrian traffic. These rules also would be subject to the orders and regulations of the Transport Board.

Section 14 of the Act names certain railway companies and public utilities with which this company may make contracts. Two of the companies were misnamed, and the bill contains an amendment correcting the name of one of these to "The Canadian National Railway Company," and of the other to "The Pacific Great Eastern Railway Company". The bill also strikes out the name "Vancouver Harbour Commissioners" and substitutes "The National Harbours Board", which has superseded the former body.

If there are any questions I shall do my best to answer them.

Hon. Mr. Reid: I should like to ask my honourable friend whether the tolls chargeable are to apply to pedestrians walking across the bridge.

Hon. Mr. McKeen: According to my information, this bill will authorize the charging of the tolls which now are applicable to both pedestrian and vehicular traffic. The Railway Act has to do only with tolls on railways; therefore, it is necessary to clarify the question of tolls by this present measure.

Hon. Mr. Farris: What bridge is it, the Second Narrows Bridge?

Hon. Mr. McKeen: This is the Second Narrows Bridge.

Hon. Mr. Crerar: May I ask my friend if there is any time limit on the charging of tolls, or if when the bridge is erected the tolls will continue to be charged forever?

Hon. Mr. McKeen: I may say to my honourable friend that the bridge was erected in 1925, and is owned by the municipalities in

that area. I believe that when it is fully paid for the municipalities may be prepared to free it from tolls. The municipalities which own the stock in this company are the City of North Vancouver, the District of North Vancouver, the District of West Vancouver and the City of Vancouver. They put up the capital and issued $700,000 worth of bonds. When they are paid off the municipalities will own the bridge.

Hon. Mr. Farris: Is there not some talk of turning this bridge over to the Canadian National Railways?

Hon. Mr. McKeen: This clears the way for action. The bridge has suffered under some difficulties in the past. The waterfront people thought that the draw was in the wrong place, and suggested that the opening span should be in the centre of the bridge. Ships quite often hit on the bridge, until finally it tipped over and fell into the water. The municipalities did not have money enough to repair it, and the Harbour Commissioners took over the structure at a cost of $900,000. The opening span was put where it should have been in the first place, and the Harbour Commissioners operated the bridge until last year when this sum of money was repaid. The bridge has now been turned back to its owners, the four municipalities.

Hon. Mr. Farris: That still does not answer my question.

Hon. Mr. McKeen: What is the question again?

Hon. Mr. Farris: Is it not true that the municipalities are contemplating turning the bridge over to the Canadian National Railways?

Hon. Mr. McKeen: I understand that negotiations are under way, and almost completed, by which the Canadian National Railways will take over from the municipalities the operation of the bridge.

Hon. Mr. Roebuck: May I ask a further question about tolls, as I do not think the explanation in that respect was very full? Does the bill provide any limit on the time during which tolls may be charged, or the gross amount that must be collected to satisfy the indebtedness? Is there any set profit to be made out of it by the municipalities, or is there any limit as to how much the public must pay?

Hon. Mr. McKeen: There is no limitation as to the length of time that tolls may be charged. The fixing of tolls is within the jurisdiction of the Board of Transport Commissioners. Before the bridge was damaged it showed a profit; I think one dividend of 3 per cent was paid to the municipalities. But primarily the bridge was constructed to assist in the development of the north shore, opposite Vancouver, and to provide transportation to that area. I do not suppose the municipalities concerned are interested in making big returns from the operation of the bridge, but they would like to have it paid for and to reduce the tolls as much as possible. The only other means of transportation to the area is a ferry, which is not very satisfactory.

Hon. Mr. Euler: What has been said may be true of the municipalities, but what will happen to the tolls if the railway takes it over? They might be continued for a long time.

Hon. Mr. McKeen: I understand that the railway is taking over the rail operation. The tolls chargeable will still be set by the Board of Transport Commissioners, and not by the Canadian National Railways.

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

REFERRED TO COMMITTEE

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

Hon. Mr. McKeen: I move that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

SUPREME COURT BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill T-6, an Act to amend the Supreme Court Act.

He said: Honourable senators, this bill provides for a purely administrative amendment, designed to facilitate the conduct of business in the Supreme Court.

In the past few years the February session of the Court has been found to be not long enough for the disposal of the appeals on the list; therefore, it is considered advisable to advance the opening day of the first session in each year from the first Tuesday in February to the fourth Tuesday in January. By this means the working period of the first session in each year will be enlarged, and the conduct of business will thereby be facilitated.

I am advised that this change has the approval and active support of the Chief Justice and of the members of the Court and the officials connected with it. I believe the change is advisable because of the

increased volume of work now coming before the court, and I commend the measure to your favourable consideration.

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

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

Hon. Mr. Robertson: If there is no demand that this measure be referred to committee, I would ask that it be given third reading at the next sitting of the house.

INTERPRETATION BILL

SECOND READING

Hon. Donald MacLennan moved the second reading of Bill U-6, an Act to amend the Interpretation Act.

He said: Honourable senators, many provisions in the statutes require that reports and other documents be laid before parliament. Provisions of this nature, which are usually found in departmental statutes, follow a fairly uniform pattern, but they were evidently prepared originally on the assumption that there would be only one session of parliament each year. Because of the two sessions of parliament in each of the past few years difficulties have arisen in the interpretation of these provisions.

For example, section 16 of the Government Annuities Act is as follows:

> There shall be laid before both houses of parliament, within the first thirty days of each session thereof, a return containing a full and clear statement and accounts of all business done in pursuance of this Act during the fiscal year next previous to such session.

A return to the end of the fiscal year would probably not be ready until some months after the 31st of March. If the report is completed in August, and there is a full session in September, it would be laid before both houses of parliament at that session. If another session of parliament were to begin in January of the following year there would be no new report to file at that session, because the fiscal year would not end until March 31, and the report would not be ready until the summer. The section, however, requires that a return be laid before both houses of parliament within the first thirty days of each session.

There is a similar provision in the Department of Trade and Commerce Act, section 7.

This amendment simply means that if the reports or other documents required to be laid before parliament are submitted at one session in each year, that will be sufficient.

Hon. Mr. Roebuck: May I ask the honourable gentleman a question? He says that the Acts are now drawn on the assumption that there will be only one session each year, and that the Interpretation Act is to be amended accordingly. Is it, then, a fair assumption that hereafter there will be two sessions each year? Does it mean that we are to have another session this year?

Some Hon. Senators: Oh, oh.

Hon. Mr. MacLennan: I am sorry, but if my honourable friend wants an answer he will have to speak a little louder, I did not fully understand his question. The proposed amendment will not do away with the requirement to submit material to both houses of parliament. As I said, it simply means that when one report or document or ordinance of any kind has been submitted to both houses of parliament at one session, the same report need not be laid before the houses at a second session.

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

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

Hon. Mr. MacLennan: I would suggest Thursday. I do not suppose it will be necessary to refer this amendment to a committee. However, if it is the wish of the house that it be so dealt with, I will move accordingly.

Some Hon. Senators: No; next sitting.

Hon. Mr. MacLennan: With leave, I move that the bill be read the third time at the next sitting.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Vincent Dupuis moved the second reading of Bill V-6, an Act to incorporate the Great Eastern Insurance Company.

He said: Honourable senators, this bill is similar to a large number of other measures which have been presented before this house, both last session and this session. The promoter of the bill is Mr. Gerald MacIsaac, of St. Lambert, a well known insurance broker who has had long experience in this type of business; Mr. Harold McLaughlin, secretary-treasurer, of Montreal, and Mr. Rene Labelle, Q.C., of Montreal. Mr. Labelle is a member of the firm of Labelle, Robert, Martel and Provost, and is a son of Mr. Edouard Labelle, a very distinguished Montreal lawyer and businessman who is President of Canadian Vickers Company.

The purpose of the bill is to enable this company to write a great many types of insurance contracts, some twenty-six in all, including contracts of fire, accident and aircraft insurance. The capital of the company

shall be one million dollars, divided into ten thousand shares of one hundred dollars each. The company shall not commence business until at least $250,000 of its capital has been subscribed and at least $100,000 thereon has been paid.

All the other sections are in accordance with the Companies Act, and are those ordinarily inserted in a bill of this kind.

I have only to add that the bill is in accordance with the Canadian and British Insurance Companies Act.

Hon. Mr. Roebuck: May I inquire whether it has the approval of our Department of Insurance?

Hon. Mr. Dupuis: I am glad the honourable member called my attention to this point. It was suggested, I understand, that there was some ambiguity about the bill in that the name might cause confusion with the titles of some other insurance companies. The promoters communicated with the Superintendent of Insurance on this and other points. They also wrote to the Great Western Life Insurance Company, who replied that they had no objection, as the company to be incorporated will not be engaged in the same type of insurance business as theirs. The Superintendent of Insurance has permitted the use of the name, the Great Eastern Insurance Company.

Hon. Mr. Roebuck: And has he approved the text of the bill

Hon. Mr. Dupuis: He has.

Hon. Mr. Reid: May I ask if subsection (1) of section 6 is something new in insurance? It deals with falling aircraft insurance.

Hon. Mr. Dupuis: This is not new. Almost all insurance companies of this kind issue that type of insurance. It is now permitted, and the insurance companies generally take the risk.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

VICTORIA DAY BILL

SECOND READING

Hon. J. H. King moved the second reading of Bill 2, an Act to amend the Victoria Day Act.

He said: Honourable senators, the honourable leader (Hon. Mr Robertson) has asked me to move the second reading of this measure. This bill comes from the House of Commons, where it was introduced by a private member and was unanimously accepted in its present form after running the gauntlet, a process that all such bills are subject to in that chamber. The bill proposes to amend the Victoria Day Act, so that Victoria Day, instead of being celebrated on May 24 would be governed by the following provision:

> Throughout Canada, in each and every year, the first Monday immediately preceding the twenty-fifth day of May shall be a legal holiday and shall be kept and observed as such under the name of Victoria Day.

If this amendment is agreed to, it will not go into force until January, 1953.

What I have just read clearly indicates the purpose of the bill. Victoria Day is the oldest declared holiday in Canada. Many years ago, as honourable senators can recall, the people of the countryside regarded the Queen's birthday as the one holiday of the year which was almost equal to Christmas. In those horse and buggy days a holiday was confined largely to the village or countryside, and celebrations were carried on within each district. Things have changed much in the last fifty odd years, and the development of rapid transportation has altered the whole holiday picture. We know from experience how gratifying it is to our people that Labour Day is celebrated on a week end. It is proposed under this measure that Victoria Day be celebrated on the first Monday preceding the twenty-fifth day of May, so that it will come on a week end.

I may say that this proposal has received considerable publicity and has been well received throughout Canada. The idea has been favourably commented on by the Victoria *Colonist*, the Vancouver *Province*, the Vancouver *News-Herald*, the *Financial Post*, the Montreal *Gazette* and the Montreal *Herald*. It has also been well received by such public bodies throughout Canada as the Edmonton Chamber of Commerce, the Toronto Board of Trade, the Brantford Board of Trade, the Commercial Travellers of Canada, and the Halifax Board of Trade. Needless to say the labour organizations throughout the country are unanimously in favour of it.

I do not think I need stress the importance of this legislation, which will affect every man, woman and child in Canada. Undoubtedly it would be to the advantage of our people to have a week-end holiday instead of a single day in the middle of the week, and therefore I have much pleasure in moving the second reading of this bill.

Hon. J. W. de B. Farris: Honourable senators, it was only a few years ago that somebody introduced a bill in this house which tried to monkey with Dominion Day. Now we seem to be trying to submerge the 24th of May. I take it that if the 24th of May came on a Saturday Victoria Day would be celebrated on the previous Monday. This would completely divorce this holiday from the day that some of us are still young enough to remember as one of great significance in the life of Canadian people. For my part I do not propose to support this measure.

Hon. John T. Haig: Honourable senators, the thing that bothers me is that this is the first attempt to change a holiday by statute, and I am not in favour of this policy. If you can change Victoria Day, there is no reason why you cannot change Christmas or Thanksgiving or the holiday that now comes on the 1st of July. As I recall it, when this bill was introduced in the other place it proposed to change the date of both Victoria Day and Dominion Day.

Hon. Mr. King: We are dealing with the bill that is now before us.

Hon. Mr. Haig: Yes, but that is a signal of what might happen. To most of us in this chamber Victoria Day means something. To my children and my grandchildren it has no meaning at all. To them it is just a holiday. I can quite understand that. Elizabeth II is going to celebrate her birthday in June, the month in which the late King George VI celebrated his, and we have become accustomed to that procedure. I think the majority of Canadians would enjoy a holiday on a Monday rather than on a Wednesday or Thursday. I can understand that too. In these days of rapid transportation people can easily travel eightly or a hundred miles to their summer homes to enjoy a good weekend, especially when it is a long one. But the nation has always celebrated the Queen's birthday on the 24th of May.

The other day somebody referred to the old rhyme:

The Twenty-fourth of May is the Queen's birthday,
If you don't give us a holiday we'll all run away.

That was the first rhyme I learned as a schoolboy, and it meant a lot to all of us in my generation. We learned it when we were about five or six or seven, and as we got older, say around fifteen or sixteen, and started to study history, the rhyme came to have a greater significance for us. It paid tribute to a woman whose empire maintained peace in the world for nearly sixty years. Maybe she was not responsible for that—I do not know—but, at any rate, that is the idea we got from reading history. We saw that she was the first great woman ruler of our times.

I was brought up as a Conservative, and I always have to be careful lest my Conservative principles may run away with my judgment. Maybe it is because I am so conservative that I do not favour changing the date of Victoria Day; but, honestly, I do not like the suggested change at all. It seems to me that if we are going to honour the great reign of Queen Victoria we should do so, as we have done in the past, on the date of her birth. Suppose the bill is passed and we celebrate, say, the 19th of May we might have difficulty in explaining to our grandchildren—and some of us have grandchildren —why we are celebrating that day.

Hon. Mr. King: As Victoria's birthday.

Hon. Mr. Haig: But that was not her birthday. They know it was on the 24th of May, and they will correct us.

Of course, the legislation is not important at all. If you want my honest opinion, I really think it is nonsensical to take up the time of parliament in considering legislation of this kind when we have so many other urgent problems to deal with. The only reason the proposal stirs up any interest is that the dates of important historical happenings stick in our minds, and if we are to commemorate those happenings we would like to do so on the correct dates.

I do not intend to call for a division on the bill, but if there is a division I shall vote against the measure.

Hon. W. D. Euler: Honourable senators, I hope sincerely that the few words I am going to say will not sound a discordant note in this little debate. I have just been wondering why we should have this holiday at all.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Euler: I can remember very well that in my boyhood the Queen's birthday was celebrated, and we liked the holiday. But I leave it to anyone in the chamber to say whether Victoria Day now means anything more than another holiday. In my opinion it does not commemorate anything. The late Queen Victoria was born more than one hundred years ago, and most of her reign was marked by peace—in which respect it was no different from that of some other of our sovereigns whose birthdays we do not intend to commemorate for all time. My point is simply this: I feel that the 24th of May really means nothing more to most of us than just another holiday. If that be true—I hesitate to suggest this—why should we not discontinue it altogether?

Hon. Mr. Farris: That would not be popular.

Hon. Mr. Euler: It might not be popular, but it would be practical. I apologize for making the suggestion, if an apology is necessary, but I should not be surprised to learn that a good many people in this country have had the same thought. We here cannot abolish the holiday at this time, but we might raise a doubt in the minds of the public as to whether we should continue to celebrate the birthday of Queen Victoria while ignoring the birthdays of the many sovereigns who succeeded her.

Here is another thought. We are going to have three holidays very close together, and the abolition of one of them might be in order. We shall have the 24th of May; and, with all due respect to my very good friend from Kootenay East (Hon. Mr. King) you cannot say that the 24th of May is any other date than just that. For my part, I am not in favour of the suggestion to celebrate Victoria Day on another date. If we are going to continue the holiday, I should prefer to have it on the 24th of May, which was Queen Victoria's birthday. Then, we are going to have a holiday to celebrate the birth of our present Queen. With that I have no fault to find; I think it is a good thing to celebrate the birthday of the reigning sovereign. Then we shall be celebrating the 1st of July, which is quite a proper holiday for us in Canada.

I apologize again for throwing into the discussion a suggestion that may meet with the disapproval of a good many people, but I have expressed my own feeling.

Hon. A. C. Hardy: Honourable senators, I am going to say very few words on this, because I think that nearly everything that needs to be said has been said. I agree particularly with the statement made by the leader on the other side (Hon. Mr. Haig), that we should observe Victoria Day on the 24th of May, because that was the date of the Queen's birthday. She was not born on the 19th or the 20th or the 26th or the 27th of May. She was born on the 24th of May, and we set aside that day to perpetuate her memory.

I think it would be a great mistake to change the date. If we do as is proposed, the Monday on which the holiday happens to fall will become, as was pointed out by the senator from Waterloo (Hon. Mr. Euler), just another holiday.

Hon. T. A. Crerar: Honourable senators, my friend from Waterloo (Hon. Mr. Euler) has no occasion to apologize for his suggestion that the time has been reached when we could dispense with the 24th of May as a holiday. I rise to support that suggestion warmly. But if we are not to dispense with it, certainly it will lose all significance—if any significance still attaches to it—if the date of the holiday is shifted from the 24th of May to the 19th or any other date. But has not the celebration of the 24th of May ceased to have any significance with the great majority of the Canadian people? I believe that to most Canadians it has come to be just another holiday.

Most of our holidays have some significance, and it is rather interesting to note the number of statutory holidays that we now celebrate. I should like to enumerate them. We have Good Friday. No one will question that.

Hon. Mr. Aseltine: Why not have that on Monday?

Hon. Mr. McKeen: You overlooked New Year's Day.

Hon. Mr. Crerar: We have now the present Queen's Birthday, which is to be celebrated, I believe, on the 9th of June.

Hon. Mr. Aseltine: Why not have that on a Monday too?

Hon. Mr. Crerar: Of course. And why not have Christmas Day on a Monday, and Dominion Day? There is just as sound an argument for always having each of these holidays on a Monday as there is for always having Victoria Day on a Monday.

But let me continue with the list of statutory holidays. We have Victoria Day, and shall have it as long as the present legislation remains in force. Then we have the 1st of July, which I expect Canadians will celebrate for a long time to come. We have Labour Day, Thanksgiving Day, Christmas Day, New Years Day, and most cities in Canada now have a civic holiday when all business is suspended.

Hon. Mr. Farris: In Vancouver the stores are closed all day Wednesday.

Hon. Mr. Aseltine: And in Rosetown.

Hon. Mr. McKeen: And the banks are closed on Saturdays.

Hon. Mr. Crerar: I was about to mention that Saturday is now a bank holiday, and if certain efforts are successful it will soon be a civil service holiday. This practice of regarding Saturday as a holiday is spreading over the country.

An Hon. Senator: Let's make every day a holiday.

Hon. Mr. Crerar: Are we not approaching the stage where we will have as many holidays

as work days? I think the time has come when we should look realistically at the question of holidays.

When the 24th of May was first set aside as a holiday it had some significance. It commemorated the birthday of one who during her lifetime was regarded as a great sovereign, but who has been dead almost fifty years.

By the way, I should have asked the sponsor of the bill whether May 24 is celebrated as a holiday in Great Britain. My honourable friend indicates that it is not. Then I say, are we to be more loyal to the memory of Queen Victoria than are the people of the British Isles among whom she lived? Is Victoria Day celebrated in Australia, New Zealand, South Africa and the other countries of the Commonwealth? I do not think it is.

I would support the very sensible suggestion made by my desk-mate (Hon. Mr. Euler), who usually makes sensible suggestions.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I think that instead of passing a bill for the celebration of 24th of May on a Monday, we should repeal the Victoria Day Act altogether.

Hon. W. M. Aseltine: Honourable senators, in my opinion this important matter requires careful consideration. I agree in part with what the senator from Waterloo (Hon. Mr. Euler) and the senator from Churchill (Hon. Mr. Crerar) have said, but I am one of those who are in favour of Monday holidays, so that I can go fishing over the long week-end. That is important to me.

Hon. Mr. Roebuck: Still young.

Hon. Mr. Aseltine: Nevertheless, I am willing to give up my fishing for one week-end rather than have the birthday of Queen Victoria changed.

To me, like the honourable senator from Winnipeg (Hon. Mr. Haig), the 24th of May has always been a great day. I recall that in my boyhood days in Ontario the young people would celebrate this day by singing patriotic songs, Rule Britannia and others. If we are going to keep the 24th of May as a holiday it should be celebrated on that date. On the other hand, if it is decided that we should do away with the practice of having a holiday on that date, I will not object.

My suggestion is that we celebrate the holiday on the 24th of May.

Hon. Gray Turgeon: Honourable senators, until this moment I had not intended to speak, but I feel that I should say a few words on behalf of this measure sponsored by my friend the senator from Kootenay East (Hon. Mr. King).

First, I can scarcely understand the argument of my friend from Winnipeg (Hon. Mr. Haig), when he says that parliament has no authority to deal with this bill—

Hon. Mr. Haig: Pardon me. I did not say that. Parliament has a legal right to make the proposed change, but I do not think it should exercise that right.

Hon. Mr. Turgeon: That is the point. We did exercise the right in 1927, because this bill proposes an amendment to legislation passed in that year, called the Victoria Day Act.

I am one who believes profoundly that we should continue to celebrate the reign of Queen Victoria, for she meant much to Canada. I need not tell honourable senators that it was during her reign that our parliamentary system was born, and we were started on our way towards the position we now hold in the British Commonwealth and in the world at large. I do not think that we celebrate the 24th of May merely because it is the day upon which a late sovereign happened to be born, but I believe that the passage of this amendment would add to our reverence and respect for Queen Victoria and what she meant to Canada.

I rise to support the motion of the honourable senator from Kootenay East for second reading of this bill.

Hon. J. J. Kinley: Honourable senators, the bill contains no provision for the abolition of Victoria Day as a holiday, and to discuss that question seems to me to be beside the point.

For my part, I am opposed to the suggestion that Victoria Day should be rolled up with some other holidays, thereby detracting from its importance. We are fast approaching the time when most industries will regard Saturday as a holiday; and Sunday is, of course, a holy day. If these two days are followed by a Monday holiday, it means that for three days there is no mail service in this country, because the postal employees want holidays too. The sports fishermen will stay home over Sunday if they do not get a Monday holiday. It means also that the mothers, for instance, will have their school-age children on their hands for a longer week-end than usual. When Sunday is followed by a public holiday everybody is in holiday mood, and the Sabbath is not observed with the reverence it deserves.

True, the reign of the late Queen Victoria was the longest and most glorious in British history. For that reason Victoria Day has always been recognized. The 24th of May comes at a time of year when the people of this country have their first opportunity to get out into the open, and they look forward to it as a special day. In my opinion the

rolling up of these holidays in a long week-end would be a mistake. For economic and many other reasons, and I am in favour of Victoria Day being celebrated on the 24th of May.

Hon. Felix P. Quinn: Honourable senators, I share the views of some of my friends who have spoken against this measure. We cannot properly say that the 24th of May can be changed to the 19th or the 20th of May. For one hundred and fifteen years we have celebrated the birthday of Queen Victoria on the 24th of May. What is the object of coming here after all that time and asking us to change the date to any other day of the month, be it the 19th, 20th, or any other time, merely to satisfy a lot of people who are opposed to working?

The trouble today is that we are not working hard enough. There are too many holidays. I think we should give more consideration to encouraging people to go to work rather than providing them with more holidays. I shall vote against this bill.

Hon. P. H. Bouffard: I had not intended to talk about this bill. However, I called to mind that when I was in college we had, apart from the summer vacation, only three days' holidays a year, and certainly we did not find that that was enough. When my father was at college he had one day's holiday in the whole course of the year, and he, too, certainly did not think it sufficient. Today our children have fifteen days' recess at Christmas and four or five days at Easter, and in my opinion they will go out into the working world just as well prepared as we were.

We should not think of ourselves alone. Thousands and thousands of people in Canada are glad to have a holiday. If Victoria Day signifies anything, it means a lot to me; but for the mass of the people of Canada it is immaterial whether that day is celebrated on the 24th or the 19th or the 21st. What matters is that they get a holiday, and if the most suitable day for working people is a Monday, why not give it to them? We who are members of this house can take a vacation any Monday we like, but let us have regard to the great numbers of people who work from day to day for a salary and are not free to take a holiday any Monday they choose. There are a few opportunities in the course of the year for them to enjoy two or three consecutive days of leisure. Why should not Victoria Day be one of them?

Hon. Mr. Quinn: What about the farmer and the fishermen?

Hon. Mr. Bouffard: The farmer or the fisherman can take his holiday whenever he likes. As a matter of fact I do not know of a single farmer who celebrates either Victoria Day or Labour Day as a holiday. So I repeat, why should not those who want to take a holiday have the opportunity of taking it on a Monday and, if they want to, go fishing over the week end?

Hon. Mr. Farris: Why not have a holiday every Monday?

Hon. Mr. Bouffard: Well, at the present time the preference seems to be for Saturday. The working class is demanding a five-day week. I am opposed to this, but I believe we shall be doing wrong if we deny the people of Canada the opportunity of a Monday holiday when there is the chance to give it to them. As I have said, if I want to take a Monday off I can do so, but the working class have not this privilege. So, if on a few occasions in the year we can accommodate these people, let us do so.

Hon. Mr. Farris: May I ask my honourable friend whether he does not think in these circumstances it would be better to change the name from Victoria Day to Fishing Day?

Hon. Mr. Bouffard: It might be a good idea. On the other hand, I think Victoria Day still means something. Victoria Day was established to honour a great queen. In celebrating it I still feel that it has this significance. If we want to maintain the memory of Queen Victoria in the minds of the Canadian people let us retain Victoria Day, and whether it falls on the 21st or the 22nd or the 24th, it will still be Victoria Day.

Hon. Arthur W. Roebuck: I have very little to say about this bill, but I have been very much amused at the debate. I listened to one senator after another, men who have passed the meridian of life—I will not say they have grown old, but they are not very young—whose memories of the lovely times they spent in the old days on the 24th of May are still fresh in their minds. "Fond memory brings the light of other days" around us.

The sponsor of the bill said that it was popular throughout the country; and I think he is right. On the other hand there are many who, like honourable senators who have spoken—with the exception of the last speaker and the sponsor—have "fond memories" of Victoria Day and of the queen whom it was established to commemorate. This difference of opinion illustrates how these things hang on for a while and, as one generation succeeds another, the younger people have neither the same memories nor the same prejudices as their predecessors.

We have progressed, perhaps, far enough beyond the Victorian era and those who loved that era to give a proposition like this a purely utilitarian and objective consideration. I think the 24th of May, or the Queen's birthday, as we call it, had a utilitarian aspect. It is a fine time of the year for a holiday. All over Canada the crocuses are out; in most parts, certainly in Ontario, the wild flowers are in the woods, the grass is nice and green, and we are all glad to get rid of the snow, and the boys and girls want to go out and play in the open. I remember that, when I was young enough, it was a day on which we shed our red woolen underwear. Some of us would also take off our boots and shoes without any great objection on the part of our parents; and if we were hardy enough, we dived into the old swimming pool. It is the time of year when you want a holiday. Somebody said that it is now just another holiday. That is true, but also it is very well-timed, and I am not one of those who believe we have too many holidays. I think they are good things and that they help to develop the health and growth of our youth. As for working, surely we work long enough; and the school children too, because the object of education is not to cram young people with a lot of book learning but rather to develop them, and if they are to grow and expand their powers, holidays are essential.

You and I who remember the old Queen's Birthday as such will not be here very much longer. A younger generation will come along, those who "knew not Joseph", and who will look on this as just a spring holiday. We might as well get out of the way and let the march of progress go on. It is a good change, because it is justified by utility. Of course, some of the sentiment remains. I received a protest from one organization which does not like the change. That is a natural attitude among old people, but the fact is that utilitarian considerations must be supreme. We may reject this proposal, but before long we shall pass away, and others who do not share our memories will come along and make the change. We can delay it for a while but we cannot delay it long. I am in favour of giving the people the holiday they desire, on a Monday. This is more convenient than the haphazard way in which it now falls, on the 24th.

Hon. A. K. Hugessen: Honourable senators, I must confess that when this debate started I was of two minds as to how I should vote on the second reading of this bill, but the course of the debate has brought two ideas to my mind which I should like to stress.

One thing that struck me about the bill in the form in which it came before us was that it did not have on the opposite page, as it should have had, the provision of the present statute which it proposes to replace.

Hon. Mr. King: It is a private member's bill.

Hon. Mr. Hugessen: I looked up the present statute, which is chapter 204 of the Revised Statutes of Canada, entitled an Act respecting Victoria Day. I was a good deal impressed for some time by the arguments of honourable senators who said that the birthday of the good Queen Victoria was the 24th of May, and that no change should be made from that date. As I say, I was impressed with that argument until I read the present statute, which reads:

> Throughout Canada, in each and every year, the twenty-fourth day of May, being the birthday of Her late Majesty Queen Victoria, shall, when not a Sunday, be a legal holiday and shall be kept and observed as such under the name of Victoria Day.

The next section:

> When the twenty-fourth day of May is a Sunday, the twenty-fifth day of May shall be, in lieu thereof, a legal holiday throughout Canada, and shall be kept and observed as such under the same name.

I suggest to my honourable friends that if, since confederation, we have kept the 25th of May as Victoria Day whenever the 24th of May has happened to fall on a Sunday, there is no particular reason why we should not keep the 19th or the 21st or 22nd of May as Victoria Day.

Hon. Mr. Haig: Is not such a provision found in every statute which provides for a public holiday?

Hon. Mr. Hugessen: I have no idea; but it does not affect my argument in any way. Those who tell us that we have got to celebrate Victoria Day on the 24th of May are faced with the fact that every few years we celebrate it on the 25th of May.

Honourable senators, I think the memory of the great Queen Victoria deserves a place in the history of this country, and that a day should be set aside to celebrate her memory. I suggest to my honourable friends, however, that over the course of years what has happened has been this. We no longer commonly speak of "Victoria Day". We talk about the 24th of May as a holiday. If this bill is passed, Queen Victoria's birthday will not necessarily be celebrated on the 24th of May but on a day within a certain number of days of this date which will be known as Victoria Day. I suggest that that will be a much better way of commemorating the reign of the great Queen than by merely celebrating it on a fixed day which has become known as "the 24th of May".

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: I simply advance these suggestions as thoughts which came into my mind during the course of the debate, and as reasons why I intend to vote for the second reading of this bill.

Hon. A. L. Beaubien: Honourable senators, it seems that most of those who have taken part in this debate would have no great objection to completely discontinuing the celebration of Victoria Day; but that is not the question before the house.

Hon. Mr. Haig: You are correct.

Hon. Mr. Beaubien: The question before the house is whether Victoria Day should be celebrated on a Monday if the 24th of May should not fall on that day.

The amendment now under discussion was unanimously adopted by the other house, and the honourable senator for Kootenay East (Hon. Mr. King) has enumerated a great many publications and public bodies which have favoured the bill. I venture to say that the vast majority of Canadians today celebrate the 24th of May just as a holiday, and I think that the celebration of this holiday on a Monday would be greatly appreciated by everybody. As one honourable senator pointed out, May is a time of year to enjoy the beauties of nature.

Hon. Mr. Hardy: Do the farmers get out to celebrate a Monday holiday? I do not see them.

Hon. Mr. McKeen: You don't see them.

Hon. Mr. Beaubien: I maintain that with present farm machinery our farmers can enjoy many holidays. With their up-to-date equipment they can work under headlights at night and take a holiday the next day if they wish.

Hon. Mr. Hardy: What about milking cows three times a day?

Hon. Mr. Beaubien: They do not milk cows any more since my honourable friend from Waterloo (Hon. Mr. Euler) introduced his Margarine Bill.

Some Hon. Senator: Oh, oh.

Hon. Mr. Beaubien: I intend to support this bill.

Hon. Calvert C. Pratt: Honourable senators, it has become obvious to me while listening to this debate that the 24th of May has far greater significance in the Province of Newfoundland than it has in other provinces represented by various senators who have spoken. I know of course that the 24th of May was Queen Victoria's birthday, but in Newfoundland it is never referred to as Victoria Day. It is celebrated as Queen Victoria's birthday, although it has been referred to as Empire Day, and latterly as Commonwealth Day. Public functions are held on that day, and it is a day of celebration of Empire and Commonwealth. It has its roots, of course, in the fact that it was Queen Victoria's birthday and the fact that a great empire was developed during her reign. I think it would be a great mistake if that day were simply to become another holiday.

Holidays are falling into the category of very sacred institutions; they are losing their original significance and they are becoming sacred because of the mere fact that they are holidays. I feel that we are laying too much stress on holidays.

But that is not the point of the debate. The point is whether we are to change the date of an honoured day, Victoria's birthday, which in one province at least is adopted as Empire Day and Commonwealth Day. I personally think that we should retain the 24th of May as the date of celebration of Victoria's birthday, as provided for in the Act that has been read here, and observe it as a day with its full original meaning. Otherwise, let it be dropped.

Some Hon. Senators: Hear, hear.

Some Hon. Senators: Question.

Hon. Mr. King: Honourable senators, I shall take just a moment. The discussion has been most interesting. I was rather surprised that my friend the leader of the opposition (Hon. Mr. Haig) should take the position that it would be reprehensible to provide for celebration of Queen Victoria's birthday on any other date than the 24th of May. The late King, seeking to serve the convenience of his peoples, did not hesitate to change by decree the date of observance of his own birthday from a day in December to a day in June.

Hon. Mr. Aseltine: That is different.

Hon. Mr. King: It seems to me that my honourable friend's argument has not any great force. Those who support the bill have no intention of doing any injustice to the memory of the great Queen. It is well understood in Canada that the 24th of May is one of the delightful days in the break into summer. I remember that when I was a boy Victoria Day was the day when we were instructed to rake up the school yards. And today home owners all across the country are glad of the opportunity it affords them to clean up their gardens. The celebrating of the occasion on Monday would enable the people to enjoy a three day week-end at the beginning of summer, just as Labour Day gives them a three day week-end at the end of summer.

I do not think that there is any sound reason for fearing that the celebration of Victoria Day on the Monday preceding the 24th of May would bring about any lessening of the day's significance. It would become the practice to signalize the occasion on that Monday. As I remarked to this body, the horse and buggy days have passed, and we cannot think in terms of those days now. Because of rapid means of transportation large numbers of people are accustomed to enjoy holidays by going on picnics and friendly visits many miles from home, and certainly Victoria Day would be more convenient for these purposes if it always fell on a Monday. I cannot see why the sentimental idea should have been brought into the discussion; for no one in parliament, I feel sure, would do anything to detract from the honour that has always been accorded the late Queen Victoria, who was a great sovereign.

After the bill has been given second reading, if it is desired to have it considered in committee I shall move that it be referred to the Committee on Miscellaneous Private Bills, where the sponsors of the measure would come to discuss it with honourable senators.

The Hon. the Speaker: Honourable senators, the question is now on the motion for second reading of this bill. Is it your pleasure to carry the motion?

Some Hon. Senators: Carried.

Some Hon. Senators: No.

The Hon. the Speaker: In my opinion, the motion is carried.

Hon. Mr. Reid: Honourable senators, I am sorry to interrupt, but what is the position? We down in this part of the chamber are unaware of what has happened. Was the motion carried or not carried?

The Hon. the Speaker: I declared the motion for second reading carried.

Hon. Mr. Haig: Honourable senators, if there are four who will support me, let us stand up and call for a division.

Hon. Mr. Beaubien: Why didn't you stand when the motion was called?

Hon. Mr. Haig: The senator from New Westminster (Hon. Mr. Reid) did not hear what was said. I will stand for a division.

Hon. Mr. King: The motion has been declared carried.

The Hon. the Speaker: If honourable senators wish a division, it may be had on the motion for third reading.

Hon. Mr. King: I have no objection to a division now, but there will be an opportunity for a vote on the motion for third reading.

Hon. Mr. Haig: The advantage in having a vote now is that all of us here have heard the discussion.

The Hon. the Speaker: I think the objection was raised too late.

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

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

Hon. Mr. King: Next sitting.

BUSINESS OF THE SENATE

MONDAY SITTINGS

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, I should like to notify the house that I intend, unless something unforeseen happens, to move on Thursday that we adjourn until Monday night; and, until further notice, to ask the house to reassemble after every week-end recess on Monday night instead of Tuesday night as we have been doing so far this session.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Farris: Suppose Monday comes on the 24th!

Hon. Mr. Robertson: I think that no reasonable argument can be raised against our reassembling on Monday evening, for it cannot be suggested that up to date we have been overworked on Mondays. I wish to point out that, though I may not have very much business to bring before the house itself, there is a great deal of committee work to be taken care of. A large number of divorce cases are still to be heard. And I hope to have for introduction on Thursday a bill to amend the Criminal Code. If so, I should like to have it given second reading early next week and sent to an appropriate committee, where it will require considerable attention.

Members of the Committee on Finance will know that if we were to adjourn every Thursday until the following Tuesday evening it would simply be impossible to carry through the program outlined by that committee. My purpose in asking the Senate to resume on Monday evenings is to facilitate the work of committees by having senators available for this work early in the week. And because of the relatively light volume of legislation that the Senate itself may expect to have before it in the near

future, it may be possible to go on with committee work some afternoons after the Senate rises. I express that view just as a matter of opinion.

Hon. Mr. Haig: Honourable senators, the steering committee of the Committee on Finance agreed to meet at 10.30 on Thursday morning. It wishes to submit its program to the whole committee; and I think that program will prove to be a very interesting one, especially if we can secure the attendance of persons whom we are proposing to invite. On behalf of the chairman of the committee I would bespeak a full attendance at Thursday morning's meeting.

Hon. Mr. Roebuck: Honourable senators, the leader (Hon. Mr. Robertson) has told us of his intention to introduce soon the bill to amend the Criminal Code. I understand that this bill contains a complete revision of the Code, and I should like to know if it is ready for distribution now. It would be helpful if we had a chance to study such a lengthy measure before it is introduced.

Hon. Mr. Robertson: I am speaking now subject to correction, but I think that when the report of the commissioners was brought down and tabled a certain number of copies of the bill recommended by them were made available. Certain changes will have to be incorporated in the measure now being printed, and I do not think it will be available until early next week. I assure honourable senators that I will not proceed with consideration of the bill until copies are available. I may say that while there are many substantial changes, the principal purpose of the measure is the consolidation of some seven or eight hundred sections which remain exactly as they were.

In answer to the specific question as to whether copies will be available on Thursday, when I hope to introduce the bill, I must say I doubt very much that they will be on hand before next week.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 7, 1952

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

Prayers and routine proceedings.

SUPREME COURT BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill T-6, an Act to amend the Supreme Court Act.

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

INTERPRETATION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill U-6, an Act to amend the Interpretation Act.

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

VICTORIA DAY BILL

THIRD READING

Hon. Mr. King moved the third reading of Bill 2, an Act to amend the Victoria Day Act.

Hon. Mr. Hardy: Honourable senators, this bill was given a great deal of consideration last night, when a good debate took place. I am rather surprised that the leader opposite (Hon. Mr. Haig) has not called for a division on this motion for third reading, because he said last night that if a division were called he would vote against this measure.

I am not going to speak further; but if five members rise, I will ask that a vote be taken on this bill.

Some Hon. Senators: On division!

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

CANADA DAIRY PRODUCTS BILL

SECOND READING

Hon. W. D. Euler moved the second reading of Bill B, an Act to amend the Canada Dairy Products Act.

He said: Honourable senators, from time to time both in and out of parliament there have been discussions and debates as to the usefulness of the Senate. Perhaps the strongest argument advanced by the defenders of the Senate has been that this house provides an opportunity for the reconsideration of what may be termed hasty legislation or legislation to which the other chamber has not given the consideration which it deserves. The bill now before us seeks to correct an outstanding example of such legislation.

In the final days of the first session of last year a government bill was introduced into the Commons, where it carried with practically no debate whatsoever. Many of the members of that house were absent in anticipation of early prorogation. This bill, known as the Canada Dairy Products Bill, then came to this chamber, where it was also passed. As was the case in the other house, many of the members of the Senate were absent. But we did have a most interesting debate about certain parts of the bill before it was carried by a small majority.

Ostensibly the bill was intended to deal with the regulating and grading of dairy products and substitutes thereof. To that no one could make any serious objection. But clause 6 of the bill contained one paragraph that was decidedly objectionable. In fact, it was criticized by some of us here as extremely obnoxious and even unconstitutional. Certainly it was in direct conflict with the letter and spirit of the British North America Act, and to my mind it was clearly subversive of one of the basic principles of confederation, namely, the freedom of trade between the provinces.

That clause 6 contained three paragraphs, (a), (b) and (c). Paragraphs (a) and (b) empowered the Governor in Council to prohibit the importation into Canada and the exportation out of Canada of dairy products. Though I was not particularly enthusiastic about those two paragraphs, I am not dealing with them in this bill. What the bill is concerned with is paragraph (c), which authorized the Governor in Council to make regulations prohibiting the carrying of dairy products and their substitutes from one province to any other. I will read that paragraph, for I think it should go into the record once more:

> The Governor in Council may by regulation prohibit
>
> (c) sending or conveyance from any province to one or more designated provinces of any class of products that is designated by the regulations as being
>
> (i) milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk or sherbet, that contains fat or oil other than that of milk, or
>
> (ii) a substitute for milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk or sherbet.

Now, I am not a lawyer—perhaps fortunately—

Hon. Mr. Haig: You do not want the votes of those of us who are lawyers, then?

Hon. Mr. Euler: Oh, yes. Well, I will say "unfortunately".

Hon. Mr. Haig: That is better.

Hon. Mr. Euler: I will say "fortunately or unfortunately".

Hon. Mr. Beaubien: You cannot have it both ways.

Hon. Mr. Euler: In my humble opinion, the part of last year's bill that I have just read is in direct conflict with section 121 of the British North America Act, which Act is our constitution. That section says:

> All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces.

To a layman like me those words mean what they say. It seems to me tnat their meaning is entirely unmistakable; and if I am correct in this they certainly forbid the government of Canada from prohibiting the carrying of any products of any one province —dairy products or any others—into any other province. It may be argued here today, as I know it has been argued before, that this section 121, which seems so clear to me, has been interpreted even by a court as meaning that no province has the power to erect a customs tariff against the products of any other province. But surely if that was the intention of the framers of the British North America Act, it would have been stated in plain language. In any case, even if the correct interpretation were that one province could not erect a tariff wall against the products of another province, the indication is that there was no intention that the prohibition should be entirely exclusive. A tariff wall, if it is not too high, does not prevent some trading between provinces, but a prohibition may altogether destroy trade between provinces.

I do not propose to argue the constitutional side of this question; I shall leave that phase of the debate to my many colleagues who are well versed in the law. My real argument is that even if this narrow interpretation is constitutional, the exercise of such a power of prohibition is absolutely bad and vicious. Further, if it is carried to its logical extension and conclusion it will make a mockery of the federation principle, which is freedom of trade between the provinces. If this law is sound in principle and in practice, and the precedent is established that one province can shut out the products of another, then why could that prohibition not be made to apply to all commodities? For instance, the lumber, fruit and fish of British Columbia might well be prohibited from going into other provinces in competition with their own products, or coal from Alberta might be prevented from coming into Ontario. Such a prohibition might also be applied to the shipment of feed grain from the Prairie Provinces to Ontario, where it is so badly needed. Under such an interpretation the fish from the Maritimes and the factory products of Quebec and Ontario might well be prevented from going into other provinces.

Once this vicious practice is established we would have virtually ten independent provinces within the Dominion of Canada, and we would be on a fair way to the establishment of what I think the senator from Toronto-Trinity (Hon. Mr. Roebuck) last session described as a "balkanization" of this country. It would defeat the chief purposes of confederation.

One may argue, and it has been said to me, that no government would do such things as I have mentioned. Probably that is true. But why leave on the statute books a law which permits a government to do a thing that is so obviously wrong? Perhaps it is significant—I hope it is—that although this law was passed almost a year ago it has not yet been implemented by order-in-council.

Hon. Mr. Reid: They are afraid.

Hon. Mr. Euler: One may hope that the government has sensed the fact that a mistake has been made, and has no intention of implementing the authority. If that is so, I hope the present measure will be permitted to pass, and that the objectionable clause will be deleted from the Act.

I am satisfied that no such law prohibiting trade exists in any federation similar to our own. I doubt that it exists, for instance, in Australia or that great federation, the U.S. Indeed, one of the foundation stones of confederation is freedom of trade between provinces. I can understand the reason for the erection of trade barriers between countries—although I do not always approve of it—but an absolute prohibition of trade between provinces is certainly subversive of all that we have regarded as proper practice within our federation.

We have to the south of us the great United States, the oldest of the federations. I am glad that most of the senators were present last week at a gathering which was addressed by that most eminent former jurist of the Supreme Court of the United States, the Honourable Mr. Roberts. He made a speech that I wish he could make here today, because he voiced exactly the arguments which I wish to put forward. I had a talk with him afterwards, and he repeated what he had said at our meeting in the committee room upstairs, that under the Constitution of the United States—and I am not to be

understood as being a blind admirer of that country—it would not be possible for the federal government to prohibit the carrying from one state to another of any kind of commodity. Then he declared that the United States became the greatest industrial country in the world because it was internally a free trade area. The United States is frequently referred to as the greatest free trade country in the world being composed of what are practically forty-eight countries, each of which can trade freely with any other.

If barriers are erected between provinces —which is what this prohibitory clause gives the government power to do—why cannot the process be carried a step further, and applied right down to our municipal and city jurisdictions? It may be that a good many merchants in the towns and cities would be glad to see such great firms as the T. Eaton Company and Simpson's prevented from sending their goods to Kitchener, Waterloo, Guelph, Ottawa, or elsewhere. In theory, such a prohibition would be possible. We might find city and town councils vying with each other to prevent the selling of goods by outsiders in their municipalities, and supposing that thereby they were doing a service to their communities, though in fact such restrictions woud cause serious loss of business and impair the prosperity of the country.

I have made some inquiries, and I know that in the closing days of the session of a year ago, when the bill was passed, many members of the other chamber were busy with other matters and did not realize the implications of the measure. I also know, that they are opposed to the principle enunciated in section 6, subsection 1 (c), and would welcome an opportunity to reconsider it.

The Senate now has an opportunity to discharge what I regard as one of its most important functions,—the defence of the fundamental principles of confederation. I have introduced the present bill because I believe this house has a very definite responsibility. I hope the bill will be given second reading, that it will be permitted to pass, and that it will go to the House of Commons, there to have the careful consideration which it deserves, and which the principle involved has not yet received.

Hon. A. B. Baird: Honourable senators, the Dairy Products Act of 1951 was a masterpiece of restriction. No sod was left unturned, no word omitted that would restrict the importation of certain products into Canada, the export of similar products out of Canada, their movement from one province to another. Then, in order to make the meaning perfectly clear, it was restated in section 6 in these tense words:

(3) No person shall

(a) import into Canada,

(b) export from Canada, or

(c) send or convey from one province to another, a dairy product or other thing contrary to a regulation made under this section.

It took power not only over the dominion but it clinched the whole field by restricting movements within the provinces. These products included milk and related food products, twenty-eight in all, winding up with malted milk and sherbet.

One may freely admit that government may enact laws to restrict or prohibit the export of a product from the Dominion of Canada, or—more likely—to restrict imports; but I wonder if it has the power to prohibit imports or exports from one province to another—from Newfoundland to Nova Scotia, Manitoba to British Columbia, Ontario to Quebec. At least it may be said that it is a rather strange attitude for a great dominion to legislate for itself and then to set up barriers against exchange between provinces. But if barriers can be erected between provinces why not between countries? Many people, it seems, object to a free world; but to restrict trade between the provinces is going a long way towards the denial of the very concepts on which the dominion was founded.

What a lovely job that Canada Dairy Act must have been for the lawyer who wrote it! What a comprehensive mind he had—milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk—probably to the limit ice cream, malted milk or sherbet that contains fat or oil. Then he goes on to prohibit not only those products but substitutes for them. Then comes the climax. In section 6, subsection 3(c) we find this:

No person shall send or convey from one province to another a dairy product or other thing contrary to a regulation made under this section.

This is surely a bland pronouncement! I like particularly the phrase "or other things contrary to a regulation made under this section." Here is the hope, well expressed, that nothing should be left undone to make assurance doubly sure. This is "prohibition" new style, and when the lawyer who helped create these restrictions read them over to himself he must have added "Restrictions are now complete, my work is finished"—and rested on the Sabbath day!

Legislation of this kind balkanizes a nation. We have too many restrictions. I am a Canadian: men and commodities should move freely through the separate provinces which constitute the dominion. I come from the

province of Newfoundland and I am proud of it. I love that old province, but I love Canada too. Anything which injures my province must injure the other provinces as well. We are all part of one nation.

It is a simple matter to erect barriers. All too often they are made by those who have an axe or two to grind, and who too frequently get in their work before their real objects are recognized. The guarded words in which their purposes are expressed are not clearly understood: they lead to misunderstanding.

Let us never forget that Canada is one nation.

Hon. Wishart McL. Robertson: Honourable senators, I think I should say that this bill seeks to amend legislation which I, in my capacity of government leader, sponsored and initiated, and which was passed during last session. Before considering the question of second reading, I should like to give thought to what I would say in respect to the bill, and therefore desire to adjourn the debate. There is no particular reason why I should do so at this moment, however, because there is not much business on the Order Paper and other senators may wish to proceed at this time. I should like to reserve the right to speak after those who may care to speak today.

Hon. Thomas Vien: Honourable senators, I have listened with a great deal of pleasure to the remarks of the sponsor of this bill (Hon. Mr. Euler) and to those of the honourable gentleman from St. John's (Hon. Mr. Baird). I congratulate them on the clarity of their submissions and on the objective manner in which they have brought this matter to our attention.

I am entirely in accord with the principle of the bill before us. In my humble opinion the legislation which it is proposed to amend has always been categorically opposed to the fundamental principle embodied in section 121 of the British North America Act, which reads as follows:

> All articles of the growth, produce or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces.

Thus, one of the fundamental bases of confederation was that there should be no barrier to prevent the free flow of commodities from one province to the others. Mind you, section 121 provides in the first place that these articles shall be admitted, and in the second place that they shall be admitted free. I should think, therefore, that this fundamental principle is a governing one which we should always have in mind.

I am entirely of the opinion expressed by Mr. Justice Roberts, and quoted by my honourable friend from Waterloo (Hon. Mr. Euler), that the United States would never have reached the present degree of prosperity, peace and happiness which exists as between the various states of the Union had they not had a similar principle in their own constitution. As for Canada, I am sure that the four original provinces, and those which joined the union later, would never have come into confederation had they entertained any thought that any province or the Government of Canada could at any time establish a barrier or wall to prevent the free flow of commodities from one province to the others. I am pleased that the honourable gentleman from St. John's adheres to that principle as a cardinal principle of the Canadian Union.

This matter was brought to the attention of the Supreme Court of Canada in 1949 and it was held—

> that the prohibition of importation of the goods mentioned in the section is *intra vires* of parliament as legislation in relation to foreign trade. Locke J.—

one of the Justices of the Supreme Court—

> finds the whole section to be *ultra vires* while expressing no opinion as to the power of parliament to ban importation by appropriate legislation, the prohibition of importation being merely ancillary to the other prohibitions.
>
> *Held*, the Chief Justice and Kerwin J. dissenting, that the prohibition of manufacture, offer, sale or possession for sale of the goods mentioned is *ultra vires* of parliament. It is legislation in relation to property and civil rights which cannot be supported under any head of section 91. Nor can it be supported as legislation for the peace, order and good government of Canada.
>
> *Per* the Chief Justice (dissenting): The Dairy Industry Act is within the domain of the Dominion as a law in relation to agriculture and this cannot be discarded on the ground that the products here in question are articles of trade or commodities which are not directly the product of agriculture. Therefore the insertion of section 5(a) being an insertion in the Dairy Industry Act is nothing more than the direct exercise of parliament's jurisdiction over agricultural matters or at least necessarily incidental and necessary for the effective control of agricultural matters in respect of milk and its by-products; and the mere contention that they are not natural products but rather manufactured articles is not sufficient to remove them from the domain of the federal government in respect of agriculture.
>
> The Chief Justice and Kerwin J (dissenting): There is no ground on which it may be held that the legislation here in question, on its true construction, is not what it professes to be, that is, an enactment creating a criminal offence in exercise of the powers vested in parliament by head 27 of section 91.

I am altogether in accord with the principles that have been propounded by the sponsor of this bill and by the honourable gentleman from St. John's, and I intend to vote for the measure.

Some Hon. Senators: Hear, hear.

Hon. J. C. Davis: Honourable senators, the sponsor of this bill spoke about the constitution of the United States as outlined to him by an ex-member of the Supreme Court of that great country. He might very well, however, have gone further back to discuss the reasons and the manner in which the United States of America gained the freedom of trade between its various states. I would draw attention to the fact that the United States originated from thirteen of the old British Colonies in North America. These colonies, in a kind of loose confederacy, fought and gained the so-called War of Independence, which was ended about 1781. Then they began to carry on almost as separate countries. Customs tariffs were imposed on the movement of goods between one colony and another, and indeed the colonies nearly came to war between themselves over the resulting restriction of trade.

But the great fact of having gained independence together was regarded by the American statesmen as overriding all other political considerations, and they convened a new political body, the Constitutional Conference. Representatives of all the thirteen insurgent states—not members of congress, but independent representatives elected for this definite purpose—were assembled in camera for four or five months, drafting a new constitution that it was hoped would settle the controversies and difficulties that had arisen between these states. This conference devised the Constitution of the United States, which was afterwards adopted by each of the states, individually, until the prescribed majority was obtained. That instrument was a compromise of the aspirations of the individual states, and among other things it provided that the residuary powers were to be left in the states themselves, with limited and expressed powers given to the central government.

The institution of slavery, which made it possible for one man to possess property in another man's body, existed at that time in the Southern States. Their economy was founded on slavery. But a world-wide abolitionist movement among the white races spread to America and caused deep concern to the puritanical section of the North. The issue became a very serious one in the eighteen-thirties. Those who have read the speeches of that great orator and statesman Daniel Webster will recall the brilliant utterances he made in the United States Senate in his debates with Calhoun and Hayne on the questions of slavery and state rights.

The issue of state rights, with its accompanying propaganda on both sides, continued to be a very live and bitter question from the eighteen-thirties onwards, and early in 1861 the first shot in the so-called Civil War was fired at Fort Sumter. The controversy in that war was whether the federal union should be preserved, or whether a number of individual southern states should be able to declare themselves an independent confederacy and maintain the institution of slavery in their economy. The propaganda carried on before the war broke out was most violent. There are echoes of it at intervals even now, for instance in the reading of that old story "Uncle Tom's Cabin", or in the presentation of it as a play.

The principle of state rights was contended for by the southern states, whose population totalled about 10 million; and the principle of preservation of the union inspired the northern states, with a total population of about 20 million. The opposing forces arrayed themselves against one another and a bloody war was fought for five years, not so very far south of where I am standing at the present moment. A few weeks ago in an address I gave in this chamber I referred to some of the great wars of history, but I deliberately omitted any mention of this war between the Northern and Southern States on the issue of state rights. At the end of five years of bloody fighting the North triumphed, in 1865, but the price paid for the abolition of slavery—in killed, wounded and treasure—was enormous. In the South its effects are still felt.

The point I wish to emphasize is that when our own statesmen were endeavouring to bring about a union of the Canadian provinces they had fresh in their minds and immediately present the terrible results of the war that had just been fought to preserve the United States federal union, under whose constitution the residuary powers were given to the individual states instead of to the federal authority. In these circumstances the Fathers of Confederation felt it wise to insist that in Canada the residuary powers should be given to the federal government.

That view was expressed by Sir John A. Macdonald and others in the Debates on the Quebec Resolutions of 1864. Sir John initially wanted the unitary type of government in this country, primarily to avoid the great difficulties that had brought on internecine strife to the south of us, but finally he compromised for the present Canadian type of federal union.

In discussing constitutional questions under the British North America Act I am aware

that I, like one of the preceding speakers, am not a lawyer however, I know something of the decisions made by Lord Watson of the Imperial Privy Council that have diminished our federal powers.

The Act which this bill would amend provides that the federal government may prohibit the importation from one province to another of certain dairy products or products declared to be dairy products. I foresee that all this will be done either in the provincial application or for provincial reasons. That is an overemphasis of provincial rights, and is distinctly contrary to reasons that led to the Canadian type of federal government. Obviously it was the wish of our own founding fathers that we should not blindly and without looking for the reason behind certain clauses in the British North America Act, increase the powers of the provinces to the detriment of the federal government. The Act passed at the last session is a design to get around some of those clauses; and also I see behind it an application from one province which does not wish certain products admitted within its borders. Thus a provincial application has for various reasons been carried to the federal level for the purpose of prohibiting the export of dairy products from one province to another.

The passage of this Act indicates to me that we are proceeding on very dangerous ground, for we cannot tell what the future holds. I would stress the fact that we should remain strong at the federal level, for with our advance into the international field we are being called upon to join large and perhaps larger international units to meet the threats of the present day. It is very dangerous to weaken our unifying federal strength.

I offer my support to the bill now before us, not on the grounds of the transport of margarine and not for free trade in other dairy products, but on the general grounds of the original causes and reasons for our Canadian type of federation.

Hon. J. J. Kinley: Honourable senators, I am not ready to discuss the subject now before the house; but as I may be away from the chamber for some days, I should like to say a few words at this time.

The explanation of the measure given by the honourable senator from Waterloo (Hon. Mr. Euler), interested me very much, and I think he should be commended for having brought the subject before the house. I am sure the discussion to follow will be most enlightening and informative to us and to the people of Canada. In the course of his explanation he gave some information which I thought might have a particular bearing on the subject, and I should like at this time to throw a point into the debate so that those senators with legal training may consider it as the discussion goes on.

My honourable friend made reference to section 121 of the British North America Act and said that the Act which the bill would amend was a violation of that section. The section reads:

> All articles of the growth, produce or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces.

The wording of that section confirms me in the opinion that free trade, as we call it in Canada, is confined to the products of Canada, and that under this section only those products can be sent freely from one province to another. The thought comes to me that the centralized departmental stores and brokers who import goods from other countries and ship them into other provinces of Canada could meet with difficulty under this section 121. Indeed, it may be that the free admission of these products to all parts of Canada is not included under the British North America Act.

The question arises: How should we define products of Canada? Does the Act of which my honourable friend complains really violate the provisions of the British North America Act?

I am not prepared to give the answer to these questions, but as I will not have an opportunity to speak further on the subject, I place these observations before the house.

Hon. Cyrille Vaillancourt: Honourable senators, not being a lawyer, I should perhaps refrain from discussing the various clauses of the British North America Act. However, my experience with lawyers is that when two of them discuss the meaning of a section of the law in Court, one argues that it is white and the other is equally sure that it is black.

Some Hon. Senators: Oh, oh.

Hon. Mr. Vaillancourt: I think we ought to look at the situation as ordinary laymen. We should appreciate the fact that before confederation there were in Canada four provinces. I am sure that if it had been known that some day confederation would become an instrument to destroy the economy of a province, Quebec would not have entered confederation; and if the spirit of the compact is to be violated, I will be ready to take up the fight and tell my people that confederation should be rejected. The federal government is here to protect the interests of every province, because, I repeat, the Canadian federation was built by the provinces.

Next, let me point out that the act is not applicable to all classes of trade, but only to dairy products. Some provinces—Prince Edward Island and Quebec particularly—are primarily interested in agriculture, and they want that interest to be protected. It is hard enough to protect one's house against fires without having people coming around and spraying the walls with gasoline. So far this law has been on the statute books only one year, and it has not yet been applied. I am not a lawyer and I do not discuss the principle of the law; but I say that as a matter of good sense it is the business of the federal government to protect provinces which ask for aid to save their fundamental industry.

Some of my friends have referred to the freedom which, in their opinion, characterizes the United States, and last week we heard visiting friends from the other side discuss an organization to prevent war and promote peace. But it is well to look at the other side of the picture. We see the present plight of the steel industry and other troubles of the same kind. We know that in some of the American States coloured people are denied admission to hotels, clubs and other places of public resort. Is that their conception of a free state?

That is practically all I have to say. The honourable senator from St. John's (Hon. Mr. Baird), who is from Newfoundland, said, "We are all Canadians. I am a Canadian." So also are we in Quebec. We live in that province; we have been Canadians for more than three hundred years, and we built our country before any people from some other lands came here. I warn my honourable friends that if the basis of confederation is disturbed, we may be forced to quit confederation.

Hon. Thomas Reid: Before the debate is adjourned I wish to say a word or two. First, let me compliment the honourable senator from Waterloo (Hon. Mr. Euler) upon having introduced this bill and say how pleased I am at the tenor of the debate, in that we are not discussing margarine, good or bad, but the principle of restrictions as between one province and another.

As the honourable senator from Waterloo reminded us, the Dairy Products Act was introduced in the dying days of last session; and if it was not stated publicly in this chamber, it was at least intimated that the government wanted it put through as quickly as possible. It will be remembered that the Minister of Agriculture was not here at the time to explain the bill to the committee. Many members accepted the plea of urgency. I can understand why some members of the other place might heed these representations, but I do not understand why the Senate failed to give the "second look," which is its function, and passed the bill so rapidly. Of course we realize now that the provisions of the Act have not been implemented. Obviously there must have been some false pretences about the urgency of the legislation; and I for one am, shall I say, somewhat annoyed, after having been told that story, to find out now that the bill we were asked to expedite has not been put into effect. Why all the hurry? It is well known that it was put through for the sake of one province.

It would be very unfortunate if in a debate of this kind sectionalism should arise. As far as I am concerned, speaking as one who was born in the Old Land, I do not accept the idea that anyone is especially entitled to talk about being "Canadian", because each and every one of us is a Canadian. I come from the province of British Columbia, which organized itself and passed its own laws, and has been peopled mostly by persons from the British Isles. We are all Canadians now.

It seems to me that the voice of protest is getting weaker and weaker, and that we are accepting without objection almost any law which is demanded by dominion or provincial governments. As a real Liberal, and speaking not in a political sense but from a democratic point of view, I hope that in this chamber that voice of protest will never be silenced.

This is not the first time that the restrictive principle has been embodied in legislation. I well remember a clause in the Fisheries Act under which the government had the right to prevent the movement, without a permit, of canned salmon from one province to another. At that time I raised the issue in the House of Commons. Whatever personal feeling any honourable member may have about the late Lord Bennett, I think everyone will admit that he was no mean lawyer; and when I drew attention to this clause in the other place he said, "It is not worth the paper it is written on"; and it never became law.

A similar tendency to restriction is at work in the provinces. We find that last year British Columbia tried to stop the importation of eggs from Alberta; and recently it placed an embargo against the entry of cattle from Alberta. I view these things with alarm; they tend to provoke retaliation. You put an embargo on certain goods from another province, and its people, being human, will seize the chance to do the same thing to you in connection with some other class of goods which you want to sell to them.

Honourable senators, we have an opportunity at this time to vindicate the good name of the Senate; and I trust we shall not see a repetition of what took place in the vote last year in the dying days of the session. I am pleased to stand in my place and champion this measure because there is a principle at stake. As has been well pointed out, these restrictions will be the beginning of ten balkanized provinces. We can already see evidences of this tendency in the embargoes which certain provinces have imposed against others. After all, this is really a matter for the jurisdiction of the federal government, but for political reasons the federal authorities were afraid to move in and tell the provinces that this right did not belong to the provinces.

Honourable senators, I will support this bill, and I hope the Senate will pass it.

Some Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, if permitted, perhaps I may speak from the opposition's side of the house, which is a strange place to me.

Hon. Mr. Haig: You may be on this side some day.

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: My contribution will be brief. The honourable leader of the opposition (Hon. Mr. Haig), with his unfailing good humour, has just mentioned the fact that I may be sitting on this side some day. That is quite possible. One never knows what the future may unfold, but I may say to my honourable friend that the signs at the moment are not propitious for that event happening to me.

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: Unfortunately, and quite unavoidably, I was absent last year when the discussion took place in the Senate on Bill 403, an Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products. I have no hesitation in saying that had I been here I should have opposed the legislation in the form in which it was introduced, and so it may be inferred quite readily that I am supporting the bill brought in by the honourable member for Waterloo.

As I think is incumbent upon members of this honourable house, I desire briefly to give the reasons why I support his bill.

The legislation which we seek to amend, by any rule that you may wish to apply, was a rather remarkable production. It has been a cardinal principle in our history since confederation that trade between the provinces should move freely and unrestricted. No one, so far as my knowledge goes, ever thought of challenging that principle and there was no wiser provision in the constitution as framed by those far-seeing men of 85 years ago than the provision that trade between the provinces should be free and untrammelled. I think the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) has interpreted this section much too narrowly, and I doubt if he will find much support for the point he has raised.

I hold that the bill as passed last year directly contravenes the practice since confederation, and directly opposes the principle upon which the framers of our constitution wrote section 121 into the British North America Act. It is true that the section which we seek to amend opens the door only a little way; but it does open the door, and it lays down the principle that the federal government, by regulation entrusted to the administration of the Minister of Agriculture, may prohibit the passing from one province to another of any dairy product that contains fat or oil other than that of milk. This extends further than the matter of margarine. I have been informed that in the manufacture of ice cream; for instance, edible fats are sometimes used when there is a shortage of other material. This has no deleterious effect on ice cream, with the wonders of modern science, ice cream can be just as nutritional and healthful when made with certain classes of edible fats as it can be when wholly natural products are used.

Hon. Mr. Euler: Does my honourable friend mean vegetable fats when he speaks of edible fats?

Hon. Mr. Crerar: Yes. I thank my honourable friend for his correction. The bill as passed last year also imposes a ban on the movement between provinces of any substitute for milk, cream, butter and other dairy products. This would mean that once this Act has been proclaimed—and it appears to me rather significant that it has not yet been proclaimed—the federal government may proceed to frame regulations prohibiting the passage from one province to another of the commodity that it designates. Let us assume for the sake of argument that this product is margarine. This establishes a principle in interprovincial trade to which I completely object. If, under the legislation as passed last year, we can empower the government to prohibit by regulation the passing of a product of this kind from, say, New Brunswick to Prince Edward Island, what is to hinder a government using this precedent in order to bring in a bill to restrict the passage of fish products from one province to another? It is my contention that once you accept the principle and admit that it has a certain validity in the

matter of interprovincial trade, you open the door to vistas of which you cannot see the end. That is why I am opposed to the bill as passed last year, and why I support the amendment moved by our colleague from Waterloo (Hon. Mr. Euler).

It was precisely this sort of thing, I submit, that the framers of our constitution had in mind when they devised the Senate. What was meant by the arguments in the pre-confederation debates leading up to the inauguration of our constitution and favouring the establishment of a Senate composed of members whose appointment was for life, and the membership of which was based on an entirely different principle than the population of their respective provinces? Surely the intention was that this body should guard aganst just the sort of legislation that the bill before us seeks to repeal. When Macdonald used the argument—and it was a very illustrative argument—that one of the Senate's responsibilities would be to take a sober second look at legislation, I am convinced that he had in mind just the kind of legislation that we put through in the bill passed a year ago.

I urge the Senate to place itself squarely on record by supporting the bill that our colleague from Waterloo (Hon. Mr. Euler) has sponsored so ably this afternoon. It may be said that the legislation which the bill would amend is not of much importance, that it affects only one commodity, and that there is a good deal of controversy about that commodity. But the commodity is not the important thing. The important thing is the principle that we sanctioned and accepted when we passed the legislation a year ago. That principle is a danger to the unity of this country, and we should abolish it now, not wait until after it has been applied to a much wider field and done great and possibly permanent damage to our national unity.

The framers of our constitution were far-seeing men. As has often been said in this house, the result of their handiwork in the Canada that we have today is a supreme justification of the vision, imagination and wisdom that they proved themselves to possess when they drafted the British North America Act.

My last words are that we should be very careful before we throw out of the window those safeguards that the Fathers of Confederation provided for our national unity when they framed our constitution.

Hon. George H. Barbour: Honourable senators, I think it is very fortunate for the people of Canada that the Dairy Products Act of last year, being as bad as it is, has never been brought into effect, for we can say that thus far we have suffered no ill effects from it. I think that the excuse that honourable senators did not have time for proper consideration of the bill last June, in the dying days of the session, is a poor one. If our purpose here is, as we say it is, to protect the interests of the smaller provinces, we should do that, and we should not excuse any action that we take on a bill by saying that the bill came to us too late.

To my mind, paragraph (c) of clause 6 of last year's bill appears to have been aimed largely at the provinces of Quebec and Prince Edward Island, where margarine cannot be legally sold. The senator from Churchill (Hon. Mr. Crerar) has just said, in effect, that it is unthinkable that any product could not be shipped from, say, New Brunswick to Prince Edward Island. Well, during the last two years margarine could be legally shipped from New Brunswick to Prince Edward Island, but nobody wanted to ship any, for the sale of margarine is prohibited on the Island. You can give it away, or store it or eat it, but you cannot sell it there.

Like the mover of the bill (Hon. Mr. Euler), I am not a lawyer, but I venture to say that if last year's Act were put into force some eminent lawyers would arrange means for having it brought before the courts for a decision as to whether it is valid or not. Canada Packers Limited are manufacturing margarine in Toronto, let us say. Well, there is not at present, nor would there be even if the Act were proclaimed, anything at all to prevent them from shipping their product to New Brunswick or Nova Scotia or any other province where it can be sold legally. The object of the Act, I imagine, is to keep margarine from being shipped into the provinces of Quebec and Prince Edward Island.

Hon. Mr. Euler: May I interrupt my friend from Prince Edward Island? I did not mention the word "margarine"—

Hon. Mr. Barbour: I know you did not.

Hon. Mr. Euler: —and it was not in my mind. I am urging that last year's Act be amended because it violates a basic principle, namely, free trade between the provinces of this country.

Hon. Mr. Barbour: The sale of liquor was prohibited in Prince Edward Island for a long time, and common carriers would not accept liquor for delivery in the province. What happened? Some people got the idea that they could open a liquor warehouse there; and in fact two persons went there, opened liquor storehouses, paid a licence fee,

brought liquor into the province and shipped it out. And it seems to me that under the British North America Act margarine could be shipped into and out of our province today. For example, margarine manufactured in one of the plants of Canada Packers, at Toronto or elsewhere, could, I think, be shipped to Charlottetown, stored there and reshipped to Nova Scotia or New Brunswick. The legislature has prohibited the sale of margarine on the Island, but I do not think that there could be any legal interference with margarine in transit through Prince Edward Island to another province.

The dairy business and the beef cattle business in this country are going through pretty difficult days right now, and we do not know how many more difficulties they will face in the future. Farmers are going to have on their hands a lot of dairy cows that they will not be able to sell in the United States this year. Those cows will have to be milked, if people can be found to milk them, and our butter supply will be larger than usual. Butter has already become somewhat cheaper; in Prince Edward Island it dropped 8 cents a pound within the last week. There is no overseas contract for cheese, and Ontario is going to have an abundance of this product. These are just a few facts which make it appear certain that dairymen will be confronted with quite a lot of trouble this year. And since the Dairy Products Act of last year has not been brought into force, and as we have had no ill effects from it thus far, and probably never shall, I suggest that until it does some harm we leave it just as it is.

Hon. W. A. Buchanan: Honourable senators, as I may not be here for a great part of the remainder of the session, I feel that, to be honest with myself, I should say a few words on the measure before us.

I am completely in favour of the bill. Like my colleague from Churchill (Hon. Mr. Crerar), I was absent from the chamber last year when the Act which this bill would amend was passed. Had I been present, I would have opposed it.

I entered public life as a supporter of an old theory, which I sometimes feel is regarded as worn out: I believe in free trade.

Some Hon. Senators: Hear, hear.

Hon. Mr. Buchanan: I believe in free trade in a much wider sense than its application to the Dominion of Canada. Even in these modern times we hear people say that we need more of it, but we seem to be getting less and less of it. I think it would be very serious if we here in Canada were to do anything to restrict trade within our own boundaries. If I supported such action I would be going contrary to the principle that I was brought up on politically, and which I confess I still believe in. If a measure of the character of the one now before us can be made to apply to one industry, certainly another one can be brought in at some later date to apply to some other industry. The principle of the thing is wrong and I want to go on record at this moment as saying that although I do not expect to be in the house when a vote is taken, I am in favour of the measure introduced by the honourable senator from Waterloo.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: Honourable senators, I understand that it is the intention of the honourable leader of the government to adjourn the debate so that he may have an opportunity of studying this measure and, no doubt of consulting with his colleagues. I presume that he does not intend to prohibit further debate on the question. That is all I have to say.

Hon. Mr. Robertson: Honourable senators, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

PRIVATE BILL

SECOND READING

Hon. W. D. Euler moved the second reading of Bill D-7, an Act respecting the Economical Mutual Fire Insurance Company.

Some Hon. Senators: Carried!

Hon. Mr. Euler: Honourable senators, I gather that there are those in the house who do not wish an explanation of this measure. The bill is merely for the purpose of changing the name of the Economical Mutual Fire Insurance Company by dropping the word "Fire". The business of the company no longer includes only fire insurance, and this measure would make the name of the company more properly descriptive.

Hon. Mr. Haig: I support the bill; indeed, I dare not take any other stand, because my firm are the solicitors for this company in Western Canada.

Some Hon. Senators: Oh, oh.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Euler: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill H-7, an Act for the relief of Jeanne Antoinette Sophie Helena Kessler Meyer,

Bill I-7, an Act for the relief of John Stachyshyn.

Bill J-7, an Act for the relief of Theodora Dunska Williams.

Bill K-7, an Act for the relief of Marguerite Mary Winn Nelson.

Bill L-7, an Act for the relief of Irene Mary Johnson Muirhead.

Bill M-7, an Act for the relief of Roger Pilon.

Bill N-7, an Act for the relief of Winnifred Shirley Nice Perry.

Bill O-7, an Act for the relief of Ursula Runge Kniewel Fijalkowski.

Bill P-7, an Act for the relief of Bella Sybil Feinman Brenton.

Bill Q-7, an Act for the relief of Vera Kathleen Martin Lightfoot.

Bill R-7, an Act for the relief of Helen Kouri Cumas.

Bill S-7, an Act for the relief of Cora Marguerite Blume.

Bill T-7, an Act for the relief of Marie Maude Louise Ladriere Cook Tooby, otherwise known as Marie Maude Louise Ladriere Cook-Salisbury Tooby.

The bills were read the first time.

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 8, 1952

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

Prayers and routine proceedings.

NATIONAL RAILWAYS AUDITORS BILL

FIRST READING

A message was received from the House of Commons with Bill 9, an Act respecting the appointment of Auditors for National Railways.

The bill was read the first time.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard presented the report of the Standing Committee on Miscellaneous and Private Bills on Bill S-6, an Act to incorporate the Hotel Mutual Insurance Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 30, 1952, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Stambaugh: Tuesday next.

SALACIOUS AND INDECENT LITERATURE

APPOINTMENT OF SPECIAL COMMITTEE

Hon. J. J. Hayes Doone moved:

That a special committee of the Senate be appointed, authorized and directed to examine into all phases, circumstances and conditions relating to the sale and distribution in Canada of—

1. Salacious and indecent literature;

2. Publications otherwise objectionable from the standpoint of crime promotion, including crime comics, treasonable and perversive tracts and periodicals;

3. Lewd drawings, pictures, photographs and articles whether offered as art or otherwise presented for circulation.

That without limiting the scope of its inquiry, the committee be authorized and directed to examine into—

(a) sources of supply of the above noted items;

(b) means and extent of distribution thereof;

(c) relative departmental responsibility for entry or transmission;

(d) sufficiency of existing legislation to define terms in relation thereto;

(e) relative responsibility for law enforcement and effective legal measures of dealing with this problem.

That the committee have power to send for persons, papers and records, and to secure such services and assistance as may be necessary for the proper prosecution of its inquiries.

That the said committee shall report its findings to this House.

He said: Honourable senators, this is not the first occasion on which I have drawn the attention of a legislative body to this important matter. Speaking to the Legislative Assembly of the Province of New Brunswick on March 23, 1949, I had certain observations to offer. I suggested that the increasing conviction of a malaise in our intellectual and moral structure required attention, that the situation with respect to our bookstalls and news stands was provocative of juvenile delinquency and adolescent crime, and dangerous to the permanence of family life. It was evidence, I stated, of a breakdown in our social machinery. And I suggested that as further evidence of a growing menace, the offering for sale of salacious and offensive literature was becoming so common and progressive as to develop the tendencies and rights of custom.

As a solution, I advocated the necessity of a moral awakening and of legal measures to ensure improvement.

It must be admitted that the effort then made caused a very modest ripple of approval. Even the secular press of the provinces was singularly silent. The only public acknowledgment was by a radio commentator who took objection to certain rhetorical features, displaying some personal apprehension about a revival of puritanical laws that were mentioned. The government of the day, however, was concerned over the growing trend of indecency, and prepared a bill for submission to the legislature. Unfortunately, it was found useless to proceed, due to the advice of the law officers that there was no workable definition in the Criminal Code on which to base comprehensive and conclusive action. Lack of jurisdiction to control the situation at its source was a further disabling factor.

In the following year Mr. E. Davie Fulton, a young member of another place, succeeded in having legislation initiated with respect to crime comics. This was a substantial gain in the right direction. It was answered, unhappily, by offensive substitutes no less harmful to character formation.

Since then, I am pleased to report, a growing and overwhelming demand for a clean-up has developed. Men in all walks of life have become conscious of their social responsibility. The proportions reached in sales and distribution of objectionable publications, suggestive drawings and shamelessly lewd and immodest photographs have aroused the public conscience. It has become increasingly

evident, even from an economic and safety point of view, that drastic action is called for. No less an authority than J. Edgar Hoover, head of the Federal Bureau of Investigation in the United States, advises that filthy literature is the great moron maker, and is casting criminals faster than his country can build prisons to house them. Judges of Juvenile Courts speaking from court experience offer the same unhappy testimony.

The Canadian Justice Department reportedly is offering the suggestion that the problem is one that lends itself to law enforcement. This is a view which is not concurred in by majority thinking, nor has this suggestion stood up under the hard strain of practical experience. If the minister is correct, the laws of Canada are held in the most supreme contempt and their enforcement officers meet with superlative defiance.

It is true that there are four sections of the Criminal Code dealing with the features under discussion—sections 207, 207-A, 208 and 209. Actually there are five, if we consider section 1035, subsection 3, which provides penalties by way of fines in the case of corporations.

Section 207 deals with obscene or immoral books and pictures, indecent shows, offering of drugs; with provisoes regarding public good and questions of determination. Section 207 (a) relates to offences arising out of court proceedings. In this instance prosecutions cannot be instituted except with the consent of the Attorney General. Section 208 covers immoral theatrical performances. Section 209 refers to posting obscene publications, letters and postcards, and letters to deceive or defraud.

Under section 207, crime comics are covered to a somewhat satisfactory degree; but the term is the only one in the several sections dignified by a proper definition. In all justice it must be admitted that section 207 appears on the surface to be quite conclusive, but the acid test of its efficiency lies in the fact that it is regarded in the main as a legal scarecrow under which literary birds of ill repute shelter from the storm.

It is time to settle this question, to place responsibility, to demand respect for our laws if they are sufficiently enforceable, or to strengthen them if they are deemed insufficient and ineffective. Protest upon protest and aroused public opinion call for immediate and unstinted effort. The time for letting matters take care of themselves is past. The future in this instance is no longer remote. Yesterday's future is here today; today's future will be with us tomorrow. Each brings in regard to this matter the same relentless problem. To do nothing towards its solution is one of the sins of omission for which each of us must answer in conscience, and for which governments must answer at the bar of public opinion. Any waiting attitude at this juncture indicates a lack of attention or indifference to public demand. The latter is neither local or parochial. The issue has become nation-wide. Indeed, from every area of Canada advocates of clean and sanitary reading have given vocal expression of their dissatisfaction over current trends.

In the province of New Brunswick the Most Rev. P. A. Bray, C.J.M., Bishop of Saint John, has called for a reawakening of the Christian conscience in respect of the flow of indecency and immorality from news stands, and has sponsored a decent-literature crusade with an appeal to readers, dealers and civic authorities. The response has been spontaneous. His Excellency's supporters include the Lieutenant Governor of the province, members of the judiciary, provincial and civic officials, church organizations and persons from every walk of life. Under this gifted leadership the campaign to shun indecent publications promises to be far-reaching and impressive. In the province of Ontario the Parent and Teachers' Association has voiced a vigorous demand for remedial measures. At a recent meeting held in Ottawa, Bishop John C. Cody of London and Mayor Charlotte Whitton of Ottawa expressed their personal indignation at the vicious and pernicious aspects of factors destructive of decency and morality. The Canadian Federation of Mayors and Municipalities states that a resolution will go before its national convention in Calgary at the end of June in protest against present laxities in regulating the sale and distribution of salacious literature. Boycott schemes have received wide support as deterrents and as instructive measures to news dealers who show reluctance to be guided by an awakened public conscience. The Canadian Federation of Convent Alumni are joining a worldwide movement to dedicate Mother's Day of the present year as an occasion for placing their views on this vexed question prominently before the public, and in particular to impress upon dealers the economic dangers of continuing in this type of sale and distribution.

It is unnecessary to say more. The elimination of publications morally unwholesome should be the aim of every citizen. I appeal, therefore, to every senator in this house, not as crusaders but as respectable members of society, to meet a civic and Christian duty. I appeal to them particularly on behalf of children, to co-operate in a plan designed to protect them against a violation of their right to live and grow in an atmosphere of mental decency.

Hon. Wishart McL. Robertson: Honourable senators, I am sure that the excellent and

eloquent speech just delivered by the mover of this resolution has dispelled any doubt about the importance of this matter.

At this time I should just like to refer to the technical questions involved in conducting an investigation into this subject. I had hoped, after the honourable senator had introduced his motion, to have a word with him about the technical phases of this matter. I do not want to discourage this inquiry, because I have always urged honourable senators to take an interest in questions of public concern, of which this is an excellent example.

I do not know what the honourable senator has in mind as to the organization of this proposed committee, but as most committee inquiries are reported, the work of this committee would have a direct bearing on our reportorial staff whose capacity, taxed under ordinary conditions, will be taxed to an even greater extent in the immediate future. I think I have already mentioned that one major piece of legislation coming before us will be the revision of the Criminal Code, and I have been advised today that the Minister of Citizenship and Immigration will come to this house to explain his important citizenship bill, which is certain to be dealt with by one of our committees. I am only drawing this matter to my honourable friend's attention. I do not want to appear to be discouraging his activities in any way, but rather as applauding them.

The motion was agreed to.

NEW BRUNSWICK POTATO GROWERS

QUESTION OF PRIVILEGE

On the Orders of the Day:

Hon. F. W. Pirie: Honourable senators, before the Orders of the Day are proceeded with I wish to rise on a question of privilege. On March 18 of this year a speech was delivered in the other place by the representative for the counties of Restigouche-Madawaska, Mr. P. L. Dube, in which he is reported in *Hansard* as saying:

> Last year, I asked the Minister of Agriculture (Mr. Gardiner) to give careful consideration to the complaints and representations of the farmers of my county in order to secure subsidies for their potato crop. I regret to say, however, I received no satisfaction in this regard.
>
> A delegation from New Brunswick came to Ottawa in order to ask the competent authorities of the department, for subsidies to assist the farmers who were unable to find markets for their products. After some lengthy discussions, the department decided to pay a subsidy of $300,000 to those farmers who would deliver their potatoes to the starch company. But, I am sorry to say, only a few farmers were favoured. A farmer who had failed to buy his fertilizer from that starch company was unable to make them accept his product. He was therefore deprived of his share of the federal grant meant for the protection of New Brunswick potato growers.
>
> I therefore ask the Minister of Agriculture to make representations to that firm, so that justice be rendered to all those who were unable to market their products.
>
> Moreover, all potato growers were to benefit equally, from the generosity of the government, which had earmarked a rather large amount to assist them and alleviate their losses.

Honourable senators—

Hon. Mr. Haig: I rise to a point of order. I do not desire to stop the honourable gentleman from proceeding, but I doubt if the rules of the Senate permit us to discuss in this chamber a question raised by a member in another place. I think this would lead to turmoil between the two houses. My honourable friend can bring the matter before this house by moving a resolution to authorize an investigation and ask the honourable member from the other chamber to come here and substantiate his statement, but I do not believe the matter can be the subject of a question of privilege in this house.

The Hon. the Speaker: It seems to me that the honourable senator from Victoria-Carleton (Hon. Mr. Pirie) has not yet reached the point of stating how he personally or his firm is concerned with the statement made in the other house. If that statement attacked a general policy, then I think the point of order raised by the honourable the leader of the opposition (Hon Mr. Haig) is well taken; but if the statement constitutes what the honourable senator from Victoria-Carleton considers a charge against either himself personally or his firm, I take it that he has a right to proceed.

Hon. Mr. Pirie: Honourable senators, I do not read 5 per cent of the speeches that are delivered in the other place, and this particular one was made in French, so it entirely escaped my notice at the time. It does, however, reflect on a company of which I happen to be president, and I think I should have the privilege of defending myself; and that I owe it to this Senate, as an honourable body, to give an explanation. However, I am guided by the rules of the Senate and the rulings of His Honour the Speaker; and if at any time you rule me out of order, Mr. Speaker, I shall be very glad to bow to your ruling. In his speech Mr. Dubé, the member for Restigouche-Madawaska, made certain assertions that I think it is quite proper for me to refute. He said—

Hon. Mr. Haig: Mr. Speaker, I rise to a point of order. If I can get a seconder, I move that Your Honour's ruling, which I think is incorrect, should be appealed from.

The Hon. the Speaker: Is that motion seconded?

Hon. Mr. Haig: The honourable senator from Ponteix (Hon. Mr. Marcotte) seconds the motion.

Hon. Thomas Vien: Honourable senators, on a point of order, may I suggest that instead of appealing from the ruling of His Honour the Speaker it might be more practical—I am simply offering this as a suggestion to the honourable leader of the opposition (Hon. Mr. Haig) —to request His Honour to ask the honourable senator from Victoria-Carleton (Hon. Mr. Pirie) to state his question of privilege. I think we are not allowed to quote in this house speeches made in the other house—

Hon. Mr. Haig: During the same session.

Hon. Mr. Vien: When an honourable senator wants to raise a question of privilege he must state the facts which affect his privilege, but it is not permissible to quote from a speech made in the other house. If it is agreeable to the mover of the motion (Hon. Mr. Haig), I would suggest that perhaps His Honour should request our colleague from Victoria-Carleton to state his point of privilege, without quoting the speech.

Hon. Mr. Haig: I want to make it clear that I have every sympathy with the desire of the honourable senator from Victoria-Carleton (Hon. Mr. Pirie) to make an explanation. In my opinion, what was done in the other house was an awful thing to do. I appreciate that the senator ought to be allowed to defend his honour; but if we start the practice of quoting from speeches made in the other house during the current session we are bound to get into a tangle with that house, and contradictions will be flung back and forth between the two chambers. That would be most undesirable, and I do not think it is permissible under the rules. However, so as to enable our colleague to make his explanation, I am quite willing to consent to allowing him to proceed. In that way I shall be just as responsible as he is for the procedure that we follow in this instance. But I do want to keep within the rules whenever possible.

The Hon. the Speaker: As I understand it, the honourable senator from Victoria-Carleton was about to read a few words from the speech made in the other house, for the purpose of setting out in as brief a way as possible the basis of his point of privilege. I gathered that he felt he could make his point clearer if he repeated exactly what had been said instead of attempting to give his own version of it. He stated that the statement made in the other house affected himself and his company, and in my view he has a right to explain to this house what part of that speech he considers was untrue. I agree with the honourable leader of the opposition (Hon. Mr. Haig) that it would be desirable to state the point of privilege without quoting from what was said in the other house, but I take it that the honourable senator from Victoria-Carleton felt that time could be saved by making a direct quotation. I trust that the Senate will give leave to the honourable gentleman to continue his remarks, but I would ask him to keep them within as brief a compass as possible.

Hon. Mr. Pirie: Mr. Speaker, I do not wish to embarrass anyone in this house, so I shall postpone the matter until another occasion.

Some Hon. Senators: Go ahead.

Hon. Mr. Marcotte: Honourable senators, may I say a word? I seconded the motion of my honourable leader (Hon. Mr. Haig), but I certainly do not wish to prevent the honourable gentleman from Victoria-Carleton (Hon. Mr. Pirie) from stating his point of privilege. He has every right to defend himself, but I think he should say what his point of privilege is and then proceed.

Hon. Mr. Pirie: I will refer to the matter on another occasion.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill W-6, an Act for the relief of Ismena Archange Labatt Chipman.

Bill X-6, an Act for the relief of Rose Larocque Crawford.

Bill Y-6, an Act for the relief of Gladys Lucille Jane Annal Williams.

Bill Z-6, an Act for the relief of Emily Amelia Ahern Manhire.

Bill A-7, an Act for the relief of Margaret Joyce Berryman Thomas.

Bill B-7, an Act for the relief of Lillian Deutsche Payne.

Bill C-7, an Act for the relief of Murdoch Graham Nicholson.

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

PRIVATE BILL

SECOND READING

Hon. Mr. Duffus moved the second reading of Bill E-7, an Act respecting the Sisters of Charity of the House of Providence.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Duffus: I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Mr. Vaillancourt moved second reading of Bill F-7, an Act to incorporate the Equitable Insurance Company.

He said: Honourable senators, the Equitable Insurance Company of Canada was incorporated by provincial charter in 1901 under the law of the Province of Quebec. The purpose of this bill is to incorporate a federal company which will carry on the operations of the present company and assume its assets and liabilities.

I would point out that a number of insurance companies operating under a charter from the Province of Quebec have been given federal jurisdiction by the passage of legislation similar to the measure now before the house. For instance, federal status has been given to the following insurance companies: The Standstead & Sherbrooke Insurance Company, 4 Geo. VI, ch. 51; the Canadian Mercantile Insurance Company, 1 Geo. VI, ch. 46; the Commerce Mutual Fire Insurance Company, 17 Geo. V, ch. 90; and the Missisquoi and Rouville Insurance Company, 15 Geo. VI, ch. 72.

The new company when incorporated will be subject to the provisions of the Canadian and British Insurance Companies Act, 1932. The present bill refers for the most part to the operations of the company under the mutual system, as governed by the insurance law of the province of Quebec; about half of the business of the company is carried on under this system. As the Canadian and British Insurance Companies Act, 1932, does not provide for the selling of fire insurance under that system, it is necessary in the bill before us to make provision for such operations. The bill follows almost word for word measures of a similar character passed by parliament.

Honourable senators will note that the bill provides that at least one-third of the board of directors of the company must be elected by the policy-holders of mutual insurance. Such policyholders have the right to vote at meetings of the company at a ratio of one vote per $1,000 of insurance. This measure would give to the new company the power to purchase the rights and assets and to assume the obligations and liabilities of the Equitable Insurance Company.

I should point out that when this bill reaches the committee stage an application will be made to amend the title by adding the word "fire". It appears that there are already two or three insurance companies known as the Equitable Insurance Company, and to distinguish this company from the others, it is proposed to call it the Equitable Fire Insurance Company.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Vaillancourt: Honourable senators, I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. G. Fogo moved the second reading of Bill G-7, an Act respecting a certain patent application of the Garrett Corporation.

He said: Honourable senators, this bill arises out of an amendment to the Patent Act made in 1947 by which section 28A was inserted. The effect of this section was to give to persons who had filed applications for patents in countries other than Canada, and who during the recent war had had their time for filing in Canada run out on them, an opportunity within a limited period to file their applications in this country. The amendment extended the time for filing such applications to November 15, 1947, and a rather strange feature of it was that it required the applicant for a patent to make application for an extension of time before that date.

The petitioner in the bill before us is the Garrett Corporation, which is the assignee of one Max R. Brauns, an inventor. The patent concerned in the measure has to do with a certain gas turbine.

In 1944 this inventor obtained a patent in the United States and assigned it to the

Garrett Corporation, with rights to apply for a patent in Canada. Subsequently the Patent Act was amended by the new section 28A; an application for patent was quite properly made in Canada, but inadvertently the solicitors or patent attorneys acting for the applicant omitted to include a request for an extension of time. The time having expired, the Commissioner of Patents in due course rules that although the application was otherwise in order, he was not competent to consider it. Consequently, the effect of the passage of this bill would be to permit or direct the Commissioner of Patents to act with respect to the said application in the same way as if it had contained a request for an extension of time as required by section 28A.

Honourable senators will recall, as has just been suggested to me, that there have been two similar measures passed by this house,—one in 1949, chapter 26, in the case of W. Q. Beyer, and a similar Act in the statutes of 1951, chapter 90, on behalf of one George R. Hanks. I may say that the circumstances here are similar.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

CANADA DAIRY PRODUCTS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the The Canada Dairy Products Act.

Hon. Mr. Robertson: Honourable senators, I am not prepared to go ahead today with what I have to say on this motion, and therefore, under ordinary circumstances, I would have asked that it should stand. On the other hand, at least one honourable senator, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), would like to say something about the bill, and as he will not be here in the early part of next week I am quite willing to stand aside at this time, upon the understanding that I shall not forfeit my right to adjourn the debate after he or any other honourable senator has spoken.

Hon. Arthur W. Roebuck: Thank you, honourable senators, and my leader. I cannot be here on Monday and Tuesday of next week, and there are some observations which I should like to make in connection with this bill.

The subject of the bill is a matter of high principle and, to be consistent with my past, I think I should say something about it.

First, let me compliment very highly the honourable senator from Waterloo (Hon. Mr. Euler), on having introduced this bill, because the principle involved is not a small matter or one of passing moment, but one which affects the nation to which we belong; and in my humble opinion the honourable senator has added lustre to an already distinguished career and has left another footprint "in the sands of time". If this bill is passed, and in consequence we maintain what is a sound principle in national affairs, the honourable senator may be remembered in future years for his contribution.

Also, by way of preliminary, I should like to pass a compliment to the honourable senator from St. John's (Hon. Mr. Baird) upon what struck me as a very highly-finished, very literary, and excellent speech. He is one of the newer senators, and we of older standing may claim the right to congratulate him and to express the hope that this will not be the last time his voice is to be heard in a well prepared and really splendid address, such as he gave us yesterday. It ran through my mind as he was delivering that address that the new province of Newfoundland has sent to us something besides its fish, good as they are. Its intellectual contribution to our public and national life is really worth while. One of the chief benefits which Canada received when Newfoundland joined the confederation was that we swept away the obstructions to trade which then existed between that province and the great country to which we belong. I think I can also say with some assurance that what Newfoundland gained most by her entry into confederation was the clearing away of the obstructions which Canada imposed upon trade from that area. The free and unrestricted intercourse, intellectual and material, which came about by the union of Newfoundland and the Dominion of Canada was, perhaps, the greatest benefit which flowed from that act.

I would also like to say a word of appreciation of the speech made by the honourable senator from Winnipeg, who told us of the experience along somewhat similar lines of the great union to our south. I have always had in mind that the Constitutional Convention in Philadelphia in 1787 laid down certain positive restrictions against interference with trade between the states.

Hon. Mr. Haig: May I interrupt my honourable friend? When he spoke of the honourable senator from Winnipeg, I think he meant the honourable senator from St. Boniface.

Hon. Mr. Roebuck: I meant Senator Davis.

Hon. Mr. Haig: Most of the great men are from Winnipeg, but some come from outside.

Hon. Mr. Roebuck: Well, from the West, anyway. As I have said, it was in my mind that positive restrictions were imposed against interference in matters of trade. Since my honourbale friend made his speech I investigated the subject, and I found that our prohibitions have been more definite than those of our United States friends. What they did in the Constitutional Convention of 1787 was to put into the hands of the Congress complete control over foreign and interstate trade; and the restraints which have been provided in later years against any interference with that freee flow of trade have been the result of the common sense, the public wisdom and the statesmanship displayed in maintaining that principle. I found the situation most concisely set forth in the *Encyclopaedia Britannica,* which, as you know, bears an English name but is really a United States publication. In volume 12, page 538, appears this paragraph:

> The commerce passing state boundaries in the United States has become of great volume. No state imposes trade restrictions. The United States throughout its wide territory is a single commercial unit with full freedom of internal trade. In this regard the United States is in marked contrast with Europe, where racial and historical causes have brought about the existence of many nations each concerned with safeguarding its own internal trade against the undue encroachment of the commerce of other countries.
>
> Freedom of inter-state commerce has been as great an aid to political success as to an economic welfare. The commerce clause of the constitution made a united country possible; in spite of sectional divergencies and a civil war, the nation has been held together and the states have grown into an indissoluble union because industry, trade, transport and communication have known nothing of state boundaries or of political differences. The power "to regulate commerce with foreign nations, and among the several states" is vested in congress by the constitution which also stipulates that "No state shall, without the consent of the congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws"; also that "No state shall, without the consent of the congress, lay any duty on tonnage." The constitution provides that congress shall levy no tax or duty "on articles exported from any state," and that "No preference shall be given by any regulation of commerce or revenue to the ports of one state over those of another.

That is the clearest statement you will find of the situation to the south of us. The regulation of trade and commerce by the United States Congress has led to a complete freedom of trade over the largest free trade area in the world, between forty-eight states which were once independent and which are now subject to the one control. I read with some interest a book from our library entitled *The Constitution of the United States, Its Sources and Its Application,* by a Mr. Norton. On page 50 it gives the items of the Constitution and then comments upon them. One item in the Constitution is set out as follows:

> To regulate commerce with foreign nations, and among the several states, and with the Indian tribes.

And the writer goes on with this comment:

> This is called the commerce clause, second in importance to no other provision in the constitution. . . . This clause put an end to the taxes, duties, and other burdens which the states had imposed under the Articles of Confederation upon one another's trade and activities. A writer on the constitution, who served as a Justice of the Supreme Court and therefore had an unusual opportunity to observe, expressed the opinion that were it not for the commerce clause the states would long since have wrecked the Union.

And the provinces can do the same.

> The commerce clause has been a barrier to the activities of states in more than two thousand cases that have reached the courts of last resort in the several states and the Supreme Court of the United States. Tax laws, license laws, and regulative laws of infinite variety enacted by state legislatures have been held invalid under this clause as interfering with the free flow of interstate commerce. And so of state statutes intended to promote local prosperity, as an act prohibiting pipe-line companies from transporting except between points within the state.
>
> After the constitution was adopted and while it was before the conventions of the states for ratification, Washington wrote to Lafayette that his own state had recently tried to pass "some of the most extravagant and preposterous edicts on the subject of trade" that had ever been written . . .
>
> But with years and experience the belief has grown that while the citizen of the state may naturally favour development at home, the same person as a citizen of the nation must take into account the welfare of all the states.

Hon. Mr. Euler: Hear, hear.

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

Hon. Mr. Roebuck: Yes, certainly.

Hon. Mr. Reid: Is it not a fact that the laws of the United States, such as you have just read, served as a guide in the forming of our constitution?

Hon. Mr. Roebuck: Undoubtedly so, and I intended to pass from the United States Constitution to our own. That was the natural evolution which took place. The philosophy that I have expressed in these two excerpts—the common sense of the people of the United States and the loyalty they gave to their country—resulted in free interchange and the maintenance of the rule against any break in it. There have been

thousands of attempts to circumvent that rule, but the courts and congress and even state legislatures have set their faces against it, and have maintained, as I hope we shall in this house, the right of a member of any state to trade freely with a member of another state. The law and the principles involved finally found legislative enactment and codification in the Interstate Commerce Act, which is now upon the statute books, and which probably ends for all time any subversive attempt such as we find here.

I think it was the honourable senator for Churchill (Hon. Mr. Crerar) who remarked that the founders of our constitution, the Fathers of Confederation, were very wise men. But they had more than mere native wisdom; they had the experience of the people of the United States. As my honourable friend from New Westminster (Hon. Mr. Reid) pointed out, they were guided by the American Constitution, with its commerce clauses. They also had the benefit of the experience gained from the time of the Philadelphia Convention of 1787 down to the enactment of our own constitution in 1867. This was quite a period of time. During it there occurred the war between the North and the South and the struggles between the states over their boundaries. But all these differences disappeared in the harmony of a single nation.

The Fathers of Confederation knew all about the struggles that interested parties had put up to restrict trade and commerce for their own selfish purposes, and that is why they wrote section 121 into the British North America Act—to provide that manufactured articles as well as articles of growth and produce should pass freely from one province to another. There is no question of their intention that there should be no tariff barriers, no quotas and no private interests hiding behind governmental legislation in order to obstruct trade between our provinces, and thus break up our country. The writer Norton, whom I quoted, makes the observation that in the United States had it not been for the rule of free intercourse between states, the individual states themselves would have wrecked the Union. I think I can apply these words to Canada: Were it not for the common sense of our people and the statesmanship of our legislators, and the fact that we have set our minds against restrictions between provinces, the provinces could wreck our confederation.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Roebuck: The Act which we passed last year is not of great importance in itself, but it is the entering wedge. If we allow it to stand on our statute books it will be followed as a precedent many and many times in the future.

Last night I entertained myself by browsing through the *Confederation Debates,* which are kept in the Parliament Library and are very well worth any time spent on reading them. I picked out excerpt after excerpt dealing with free trade between the provinces, and on this point the speakers were practically unanimous, although the views expressed by them on most other points having to do with confederation were far removed from unanimity.

I will just quote a few brief statements. The Honourable A. Campbell, of Cataraqui, who at the time was Commissioner of Crown Lands, said—

Hon. Mr. Burchill: Where was he speaking?

Hon. Mr. Roebuck: The debate was in the Legislature of Canada, prior to confederation, and the members were discussing the Confederation Resolutions, which proposed that Canada petition the Queen for an Act to bring about union of the provinces.

Mr. Campbell said:

> Honourable gentlemen say, where is the advantage to be gained by Canada from confederation? Well now, can any honourable gentleman in his senses believe that the removal of the obstacles to intercourse between the provinces, the doing away with the customs duties, and the development of the trade of the St. Lawrence, is no advantage to Canada? Can it be said that to open up the commerce with three millions of people along the St. Lawrence and the lakes will be no advantage to the people of the lower provinces?

He was enthusiastically in favour of confederation because of its economic advantages through free trade among our provinces.

The Honourable the Solicitor General, Mr. Langevin, of Dorchester, said:

> There are also as many different tariffs as there are different provinces, as many commercial and customs regulations as provinces. It is true that there are now many free goods, but it is also correct to say that there are as many customs systems as there are provinces . . . By this it will be understood that it is almost impossible to reconcile so many different interests, except by uniting in one and the same legislature the representatives of those interests and of the people affected by them, and this object we cannot attain by remaining by ourselves.

Mr. Walsh, of Norfolk constituency, said:

> We must necessarily consider the question in connection with the more intimate commercial intercourse which it is contemplated will result from the construction of the Intercolonial Railway. A new market for our commodities will be opened up by the removal of the barriers to trade which now exist between us. Believing, as I do, that our commercial relations with our sister provinces should be free and unrestricted, I am heartily in favour of the construction of this railway.

The building of the Intercolonial Railway was part and parcel of the confederation proposal.

Mr. Dorion, of Drummond and Arthabaska, said:

> That which built up the commercial prosperity of the United States is their geographical position—their immense territory, in which is to be found every climate imaginable; from the north, producing ice, to the south, producing the most delicious fruits. An inhabitant of Maine may load a vessel with ice, proceed to New Orleans and barter his cargo of ice for rice, sugar, tobacco, etc., with which he may return home without paying a single farthing of customs duties. It is this free and continual exchange of their various products from Maine to California which has placed the United States in the first rank of commercial nations in so short a time.

Mr. M. C. Cameron, of North Ontario, stated:

> We now have five independent, and I may say hostile tariffs—

Honourable senators will realize that at that time there were just the five original divisions, corresponding to what are now the provinces of Ontario, Quebec, and the three provinces in the Maritimes. He said:

> We now have five independent and, I may say, hostile tariffs—a different one in each of the colonies; and we have five different governments. We will then have one strong independent government and one system of customs taxation.

That was what appealed to him in the idea of confederation.

As I read over those Debates I saw no statement opposed to free trade between the provinces. I was, of course, reading superficially, looking for references to trade, but I ran through the entire volume without finding a single expression of opinion opposed to this most beneficent thing, free commercial intercourse between the provinces.

My friend from Churchill (Hon. Mr. Crerar) said yesterday:

> It has been a cardinal principle in our history since confederation that trade between the provinces should move freely and unrestricted.

Not only is that so, but we built the canals of Canada along the St. Lawrence river, past Niagara Falls, and spent great sums upon them—at a time when Canada was a poor country, not the rich country she is today—to the express and simple end that trade should move more freely from one province to another and from one municipality to another. We built the Intercolonial Railway, largely at government expense—perhaps altogether at government expense—in order that the trade of the Maritime Provinces should be enjoyed by the central provinces, and *vice versa*. As a concession for their agreeing to come into confederation the Maritime Provinces required that their trade with the central part of the country should be facilitated. We built the Canadian Pacific Railway, at very large expense, in order that the trade of the eastern part of the country should move freely to the West, and that the western provinces should be enabled to ship their grain to the head of the lakes and on to the markets of Europe.

And at the present moment we are building air strips hither and yon, at very considerable cost, in order to facilitate the movement of goods and of people. And now many thousands of our citizens are hoping that in the course of the next few months arrangements may be made with our great neighbour to the south for its active support—or, if it wishes to stand aside, for its consent and approval—of a further development of the St. Lawrence water powers and canal system, so that ocean ships may pass up and down these waters, carrying goods freely between the various provinces.

In the light of these economic developments, in the light of the experience of the nation to our south, in the light of the absolute logic which faces us now with regard to our own confederation and its utter dependence upon freedom of trade, can you fancy our passing a statue which is the entering wedge of interference in trade between the provinces? Honourable senators are the older statesmen of our country, and know something of its history and the basis upon which it operates. Need there be any doubt in the mind of any one of us as to how we should vote at this particular juncture? I grant to others the right to do their own thinking; nevertheless, I hope that with a striking unanimity this measure will be passed.

Hon. Mr. Stambaugh: I desire to ask the honourable senator a question. Did I understand him to say that there are no restrictions on trading between the various states in the United States?

Hon. Mr. Roebuck: That is too broad a question for anyone to answer, but I do not think there is a positive restriction such as we have here. The trade restrictions between the various states are few in relation to the vast area concerned; however, some states have secured restrictions, to their own detriment.

Hon. Mr. Stambaugh: I do not see that it has any bearing on the present discussion, but I know that it is illegal to ship maragarine into the State of Oregon.

Hon. Mr. Lambert: May I interject a point in connection with the so-called restrictions between the various states in the republic to the south of us? True, restrictions have been practised as between states for a long time,

but they are largely for health and sanitary reasons, rather than for commercial reasons. Anyone who has had the experience of motoring through the United States has no doubt been stopped at the boundaries of certain states and had his car searched to make sure that he was not carrying corn, or some other grain, which was barred from the state he was entering because of some infection. The same principle I think applies to margarine. The ban against it is imposed, not for commercial reasons, but because of some provisions in the pure food laws of certain states.

Hon. Calvert C. Pratt: Honourable senators, I should like to extend my congratulations to the senator who has just spoken, and also to the senator from Waterloo (Hon. Mr. Euler) who brought this subject before the house. I take this opportunity to thank the honourabe senator from Toronto-Trinity (Hon. Mr. Roebuck) for his kind references to the Newfoundland senators, and particularly to my colleague from St. John's (Hon. Mr. Baird), who was not present in the chamber at the time. We appreciate the senator's gracious remarks.

I have reviewed the discussion which took place last year in the other house on the legislation which this bill seeks to amend, and I note that the same criticism was expressed there as has been voiced in this house. It is notable that a measure of such momentous consequences was debated for only an hour or so. Members complained of first having seen the bill when it was placed on their desks just before they rose to speak to it. Honourable senators had a similar experience.

I claim, as others did in the debate last year and in their remarks on the bill now before us, that the Act itself contains features which are a denial of federal union and undermine the basis of confederation. The federal government has assumed the right to set up inter-provincial trade barriers. Why? Is it to meet the economic needs, real or imaginary, or the political needs, perhaps very real, of any particular province or provinces? Regardless of party no federal government, which is elected to represent all provinces, has the right to do that. Let us assume for a moment that such an enactment is economically sound for any province—though I am convinced that it is not, and I shall endeavour to give some reasons why I think so. Such an enactment, or a series of them, would make us a nation of law-breakers? Is it intended to police the boundaries of the provinces? It just cannot be done, and no right-thinking person or government would for a moment contemplate it. If a law is passed and no provision is made for its adequate enforcement, I would say in my simple way that parliament is giving a licence to law-breakers. But the matter does not end there. Disregard for one law creates disregard for another, and this process gathers momentum and keeps rolling on.

The measure passed last year cited the dairy industry as the one to be affected. It was an out and out dairy bill, and was so named. The dairy industry, which is a great industry, is absolutely vital and essential to the welfare of the Dominion of Canada, and should be given every encouragement; but if the encouragement it receives is restrictive rather than constructive and progressive it will do more harm than good.

We are living in a scientific age when the advantages of science reach down to everyone, whether on the farm, in the fishing boats or in the forest. Science is producing great nutritional values from many sources; it affects all industries, as it does all peoples.

Margarine has been injected into this debate; although it has in some instances been brushed aside, and perhaps rightly so. I for one am not going to apologize for mentioning it, although admittedly the underlying principle goes far deeper than and transcends the importance of one commodity or industry. I would, however, like to deal briefly with the economic side of the picture.

Whale oil is produced in Newfoundland and is used extensively in margarine. Treated scientifically it is pure, wholesome and rich in food value. Why should it, or the product which it enters, not find a market in other provinces, provided that government food standards are met? Those who catch whales are as much entitled to a living as are those who tend cattle. They are all Canadians.

Newfoundland and Nova Scotia both produce cod liver oil; in vitamin value it is at the top of the list but synthetic products have largely taken its place. Should those two provinces ask the federal government to put a ban on the interprovincial trade in competitive products from the laboratory? Such a demand might well follow the implementation of the Canada Dairy Products Act.

Honourable senators, in my opinion the economics of this whole business are wrong, and a denial of scientific achievement.

Mention has been made by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) of the free trading of the forty-eight States of the Union to the south of us. That, I think, is one of the greatest object lessons of the world. What would have happened if the cattle-raisers had asserted enough influence to retard the development of

cottonseed oil and soy bean oil? At one time within the memory of most of us, animal fats were predominant in manufacturing fields now largely occupied by vegetable oils. Edible oils from products of other than the cattle areas in the United States have not displaced the dairy farmers, but have simply augmented the supply of oils and fats necessary to meet the needs of the growing population. Cottonseed oil is a principal ingredient of many salad dressings and is also used in margarine and shortening. The pressings make the cotton seed cake or meal which provides food for the farm animals, and by-products are used for fertilizer on the farms. Perhaps some of the cotton bags which our farmers use for their feeds are another by-product of the competitive article. The advantages of scientific progress encircle us all.

Again, what would have happened in the United States and in Canada if the cotton growers of the south and the sheep raisers had rebelled against the use of the forests for rayon and a thousand other articles which replace to some extent the products of the cotton belt? The growing population in the United States needs all these things for domestic and world trade; and the same is true of Canada.

Ice cream is mentioned in this bill. Seaweed is coming into use in a large way in gelatin, candy, pastry and ice cream. Irish moss, a seaweed, is being used in desserts and blancmange. There is any amount of unused products along our coasts. Are our people who live by the sea to be denied the right to keep in step with modern science?

The world needs more and more food to supply the rapidly growing population. Is Canada or any of its provinces to build a fence around its borders and say "We are not interested in any more such developments of science: we are going to live within ourselves"? It just cannot be done.

Why pick one industry for such restrictive protection when those engaged in that industry must, in order to live, avail themselves of other products of scientific research and development?

The dairy farmers themselves, if there is a surplus of milk, can find encouragement from scientific research and development. As we know, casein made of milk has innumerable uses. Parts of ships and parts of aeroplanes are stuck together with casein, and cloth resembling wool is made from it.

I do not want to labour this matter, but I have enlarged somewhat on this point of view to illustrate that life in this world has to be a process of give and take. Such action as was taken last session by the passing of the dairy bill as it stands is, to my mind, retrograde and out of step with the times.

I shall not deal with the constitutional aspect. Those of the legal profession, who are more conversant than I with that standpoint, have referred to it, and others will, I am sure, cover the ground thoroughly.

I am convinced, however, that if this bill is not adopted, and the existing Act remains unchanged, the precedent so set will be remembered as the one which started an avalanche of similar demands. For instance, why should not Newfoundland, to protect its fishermen, exclude salmon from British Columbia; and why should it admit freely Prince Edward Island potatoes when our potato raisers are finding it very hard to meet the competition? Newfoundland accepts from the other provinces of Canada ten times as much as other provinces buy from it.

Furthermore, provincially-owned industries are not unknown in some provinces. The precedent of the Dairy Products Act may usefully be invoked if and when demands for similar protection are made on the federal government. I cannot think of a shorter cut to the destruction of the unity of Canada than to allow such a measure to remain on the statute books. If we are going to be Canadians, let us be Canadians from Cape Bonavista, Newfoundland, to Vancouver Island.

Reference has been made in this debate to a setting up of ten balkanized provinces. That implication is quite accurate except that the number may prove to be wrong. If it is to be a legal offence, punishable with fine and imprisonment, for the people of one province to trade with those of another—and it is distinctly so laid down in the Act—the only thing wrong with the reference to balkanized provinces is the number: it is anyone's guess whether there will be nine, eight, seven, six, or less. The provinces cannot live to themselves. Unquestionably there will be some—and a person does not need to be much of a prophet to predict that there will be more than one—that will want to be added to the number of states to the south of us, where trading intercourse can be freely carried on. That will be the cold logic of events if this vicious system is allowed to run its course. I am sure that Canada means too much to Canadians for that to be permitted to happen.

Apparently the government has not yet decided to implement, or at least has not implemented, the Canada Dairy Products Act which was passed last year. It was an ill-advised Act, and I hope that parliament will remove the offending clause by passing the bill before us.

Hon. Mr. Robertson: Honourable senators, as apparently no other honourable senator wishes to speak this afternoon, I move the adjournment of the debate. For the information of the house I may say that I shall not take part in this debate before Tuesday next. I make this announcement in case any honourable senator should wish to speak in the meantime.

The motion was agreed to, and the debate was adjourned.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second readings of the following bills:

Bill H-7, an Act for the relief of Jeanne Antoinette Sophia Helena Kessler Meyer.

Bill I-7, an Act for the relief of John Stachyshyn.

Bill J-7, an Act for the relief of Theodora Dunska Williams.

Bill K-7, an Act for the relief of Marguerite Mary Winn Nelson.

Bill L-7, an Act for the relief of Irene Mary Johnson Muirhead.

Bill M-7, an Act for the relief of Roger Pilon.

Bill N-7, an Act for the relief of Winnifred Shirley Nice Perry.

Bill O-7, an Act for the relief of Ursula Runge Kniewel Fijalkowski.

Bill P-7, an Act for the relief of Bella Sybil Feinman Brenton.

Bill Q-7, an Act for the relief of Vera Kathleen Martin Lightfoot.

Bill R-7, an Act for the relief of Helen Kouri Cumas.

Bill S-7, an Act for the relief of Cora Marguerite Blume.

Bill T-7, an Act for the relief of Marie Maude Louise Ladriere Cook Tooby, otherwise known as Marie Maude Louise Ladriere Cook-Salisbury Tooby.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: Next sitting.

FIRST READINGS

Hon. Mr. Aseltine presented the following bills:

Bill U-7, an Act for the relief of Laetitia Daigneault Martel.

Bill V-7, an Act for the relief of James Alexander Ford.

Bill W-7, an Act for the relief of Joseph Gerard Abondius Fauvel.

Bill X-7, an Act for the relief of Richard Patenaude.

Bill Y-7, an Act for the relief of Françoise Bellehumeur Dixon.

Bill Z-7, an Act for the relief of Cynthia Daphne Roberts Gagne.

Bill A-8, an Act for the relief of Dorothy May Tucker Patterson.

Bill B-8, an Act for the relief of Reginald Clare Darrah.

Bill C-8, an Act for the relief of Marjie Weston Frost Law.

Bill D-8, an Act for the relief of Carmen Verna Garcia Copping.

Bill E-8, an Act for the relief of Edna Ruth Dowsett Young.

Bill F-8, an Act for the relief of Eleanor Mary Courtney Flannery.

Bill G-8, an Act for the relief of Florence (Fannie Ruth) Sacks Roitman.

The bills were read the first time.

The Hon. the Speaker: When shall these bills be read the second time?

Hon. Mr. Aseltine: Next sitting.

The Senate adjourned until Monday, May 12, at 8 p.m.

THE SENATE

Monday, May 12, 1952

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

FIRST READING

Hon. Mr. Robertson presented Bill H-8, an Act respecting the Criminal Law.

The bill was read the first time.

NOTICE OF SECOND READING TOMORROW

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

Hon. Mr. Robertson: Honourable senators, a short time ago the leader of the opposition (Hon. Mr. Haig) quite properly called attention to the necessity of adhering to the rule requiring at least two days notice of a motion for the second reading of a bill. I quite agree that this rule should not be waived unless some excellent reason is advanced for so doing. For having myself occasionally lapsed into carelessness with respect to this rule I apologize to the house, and promise to try to observe the rule more faithfully in the future.

Under the circumstances, however, I feel justified in asking for the unanimous consent of the house to place this bill on the order paper for tomorrow. My earlier intention was to introduce this measure last Thursday and move second reading tonight, but because of the delay in receiving printed copies of this voluminous bill I later decided that when the bill was introduced tonight I would ask that it be set down for second reading on Wednesday, which would have been in accordance with the rules of the house. I am now informed that the Minister of Justice, who will explain the bill on second reading, is unable to be with us on Wednesday or Thursday, but can be here tomorrow. Therefore, unless the second reading is left over until Friday, or some time next week, the only alternative is to ask the leave of the house to proceed tomorrow.

Hon. John T. Haig: Honourable senators, as I raised a question the other day on the observance of the rules of the house, I feel that I should say a few words at this time.

I am most anxious to hear the minister's explanation of this bill, and then to have it considered in committee, where it can be dealt with clause by clause. I understand that a great many sections of the law have not been changed, that many have undergone minor changes in the wording without—the revisors say—any alteration of meaning, and that many more sections have been completely redrafted, with changes in penalties and so on. This is a measure which, in my opinion, must be considered clause by clause.

The bill now before us is the result of the work of a committee under the distinguished chairmanship of the able Chief Justice of the province of Saskatchewan, who has worked on the amendments for some three or four years. One member of the committee is an able and experienced criminal lawyer from the Province of Manitoba, having been for ten years Crown Prosecutor in the city of Winnipeg, and later Deputy Attorney General.

I feel that the sooner the bill is explained on second reading, the earlier it will go to committee, and the more time we will have to consider it in detail. I am pleased, therefore, to consent to second reading tomorrow.

Hon. Mr. Reid: May I ask the honourable leader if copies of the bill will be distributed by tomorrow?

Hon. Mr. Robertson: I am quite sure that the printed copies will be available tomorrow.

The Hon. the Speaker: Honourable senators, is it the wish of the house that the honourable leader of the government be permitted to have this measure placed on the Order Paper for second reading tomorrow?

Some Hon. Senators: Agreed.

TRANSPORT AND COMMUNICATIONS COMMITTEE

ADDITION TO PERSONNEL

Hon. A. L. Beaubien: Honourable senators, with leave of the Senate, I move that the name of Honourable Senator Roebuck be added to the list of senators serving on the Standing Committee on Transport and Communications.

The motion was agreed to.

FARM IMPLEMENTS, INSECTICIDES AND FERTILIZERS

INQUIRY

Hon. Mr. McDonald inquired of the government:

1. What farm implements, insecticides or fertilizer materials are subject to import duty?
2. What is the rate of duty on the above-mentioned articles?
3. What other taxes are any of the above-mentioned articles subject to, and what are the rates of such other taxes?

Hon. Mr. Robertson: The answer is as follows:

1 and 2. No farm implement classified within the Agricultural Implement Schedule

of the Customs Tariff, i.e., the 409 series of items of the tariff, is subject to duty.

Paris Green, while free of customs duty under the British Preferential Tariff, is dutiable at 7½ per cent *ad valorem* under the Most-Favoured-Nation Tariff and at 10 per cent *ad valorem* under the General Tariff under tariff item 250.

Non-alcoholic preparations containing nicotine in a free or combined state, for dipping, spraying or fumigating, not otherwise provided for, while free of customs duty under the British Preferential Tariff and under the Most-Favoured-Nation Tariff, are dutiable at 10 per cent *ad valorem* under the General Tariff under tariff item 209b.

Non-alcoholic insecticides, not otherwise provided for, in packages not exceeding three pounds each, gross weight, while free of customs duty under the British Preferential Tariff, are dutiable at 12½ per cent *ad valorem* under the Most-Favoured-Nation Tariff and at 25 per cent *ad valorem* under the General Tariff under section (i) of tariff item 219a. Such materials, in packages exceeding three pounds each, gross weight, although free of Customs duty under the British Preferential Tariff and under the Most-Favoured-Nation Tariff, are dutiable at 15 per cent *ad valorem* under the General Tariff under section (ii) of tariff item 219a.

Fertilizers, compounded or manufactured, not otherwise provided for, while free of Customs duty under the British Preferential Tariff, are dutiable at 5 per cent *ad valorem* under the Most-Favoured-Nation Tariff and at 10 per cent *ad valorem* under the General Tariff under tariff item 663.

Goods from the United States qualify for entry under the Most-Favoured-Nation Tariff.

3. Farm implements, insecticides for disinfecting, dipping or spraying and so used in agriculture or horticulture, and fertilizers are all exempt from sales tax, as are the articles and materials used in their manufacture.

SALACIOUS AND INDECENT LITERATURE

PERSONNEL OF SPECIAL COMMITTEE

Hon. J. J. Hayes Doone moved:

That the Special Committee of the Senate appointed to examine into all phases, circumstances and conditions relating to the sale and distribution in Canada of salacious and indecent literature be composed of the Honourable Senators Bouffard, Burchill, David, Davis, Doone, Duffus, Fallis, Farquhar, Gershaw, Lacasse, McDonald, McGuire, McIntyre, Pratt, Quinn, Reid, Stambaugh, Stevenson, Vaillancourt and Wilson.

He said: Honourable senators, I realize that the adoption of this motion does not depend upon my addressing this house. However, there are one or two thoughts which I wish to leave upon the record, and I know of no other way of doing so than to speak to this motion.

I am very anxious that the committee as proposed should be set up and start to function at as early a date as possible. There is no question of doubt that at this stage of the session the time limit is a most important factor. Every co-operation has been promised; nevertheless, the honourable leader of the government in the Senate (Hon. Mr. Robertson) intimated on Thursday last that time is not elastic, and that the facilities and services accorded to special committees take on this characteristic. It is therefore a matter of real concern to everyone who is interested in the proposed inquiry, and fear has been expressed that because of the time limit the investigation may bog down.

Let me give a definite reassurance on this point. The unanimity of opinion as to the need of inquiry leaves no doubt as to the temper of this house, and that opinion will prevail. Irrespective of what the time factor at the moment may be, the proposed committee will hold as many meetings as soon as possible, and will facilitate the hearing of all possible representations and recommendations from interested individuals and organizations. Should time and facilities during the present session prove too limited for the committee to complete its inquiries, or should the session run over into a fall sitting, I give the solemn undertaking that I will recommend that the proposed committee reconvene or resume, whichever may be the proper measure. There is one certain factor. It is this: the inquiries raised through the resolution of Tuesday last will be prosecuted, not in any anaemic fashion, but with a relentless energy to a definite and, I hope, a satisfactory conclusion.

Hon. Mr. Reid: I should like to ask the honourable senator from Charlotte (Hon. Mr. Doone) a question. I shall do my utmost to carry out my duties as a member of this committee. Realizing the seriousness of the subject and the amount of work that will be involved, I wonder if the honourable gentleman has given consideration to whether "salacious and indecent literature" entirely covers the subject matter which he has in mind? When we get to committee we may find our inquiry restricted by these four words. Many photographs and pictures being exhibited today are indecent, but they do not fall under the category of literature. Has the honourable senator given any thought to widening the language in order to cover the subject matter he has in mind?

The Hon. the Speaker: I must answer for the honourable senator from Charlotte. This motion only covers the personnel of the special committee. The motion having to do with the subject matter of the inquiry itself was agreed to last week.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill H-7, an Act for the relief of Jeanne Antoinette Sophia Helena Kessler Meyer.

Bill I-7, an Act for the relief of John Stachyshyn.

Bill J-7, an Act for the relief of Theodora Dunska Williams.

Bill K-7, an Act for the relief of Marguerite Mary Winn Nelson.

Bill L-7, an Act for the relief of Irene Mary Johnson Muirhead.

Bill M-7, an Act for the relief of Roger Pilon.

Bill N-7, an Act for the relief of Winnifred Shirley Nice Perry.

Bill O-7, an Act for the relief of Ursula Runge Kniewel Fijalkowski.

Bill P-7, an Act for the relief of Bella Sybil Feinman Brenton.

Bill Q-7, an Act for the relief of Vera Kathleen Martin Lightfoot.

Bill R-7, an Act for the relief of Helen Kouri Cumas.

Bill S-7, an Act for the relief of Cora Marguerite Blume.

Bill T-7, an Act for the relief of Marie Maude Louise Ladriere Cook Tooby, otherwise known as Marie Maude Louise Ladriere Cook-Salisbury Tooby.

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

CANADA DAIRY PRODUCTS BILL

SECOND READING

The Senate resumed from Thursday, May 8, the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the Canada Dairy Products Act.

Hon. Mr. Robertson: I shall not be in a position to take part in this debate before Wednesday, and if any honourable senator wishes to speak in the meantime he may do so. I am prepared to let any honourable member carry on as long as it is understood that I shall have the opportunity to speak before this question is resolved.

Hon. G. H. Ross: Honourable senators, I had not intended taking part in this debate, but after listening to the many interesting speeches delivered, I felt that I could not remain silent when so fundamental a principle as the prohibiting of interprovincial trade was at stake. I feel that we owe a debt of gratitude to the honourable senator from Waterloo (Hon. Mr. Euler) for bringing the matter up.

The object of the bill before us is to delete from the Canada Dairy Products Act of 1951 the powers it confers upon the government to prohibit the importation from one province to another of oleomargarinous and certain other foods other than unadulterated milk.

When the Canada Dairy Products Bill was before the House of Commons last year, the Right Honourable Mr. Gardiner said, as reported in unrevised *Hansard*, 1951, page 4683:

> My understanding is that if any provincial government desires to prevent the manufacture and sale of oleomargarine within its own province it had the right to do so.

A state in the United States has similar power. *(Powell v. Pennsylvania, 127 U.S., 678.)*

That being the case, what is the reason for the legislation? I very much enjoyed the speech of the honourable senator from St. John's (Hon. Mr. Baird), who in logical and eloquent language denounced the vicious principle of enacting a law prohibiting interprovincial trade. I regret that I was not present when the Dairy Products Bill came before the Senate last year. I should have liked to have the privilege then of voicing my objection to it and voting against it. Apparently the provinces of Quebec and Prince Edward Island are opposed to the importation into their provinces of oleomargarine. All they need to do is to prohibit the manufacture or sale within their respective boundaries. I cannot see that there is anything to be gained by this obnoxious legislation.

A number of members who discussed the question relied on section 121 of the British North America Act. I do not think we can get very far by relying on that. It will be recalled that before confederation each of the five colonies which were by the Act united into a federal union under the name "Canada" had tariffs and trade barriers against the others and against the outside world. These barriers were most objectionable and did a a great deal to stifle trade. Section 121 is set forth in the Act under the heading "Revenues; Debts; Assets; Taxation". It reads:

> 121. All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces.

In the Gold Seal case, 62 S.C.R. 424, three of the five judges who heard the case in the Supreme Court of Canada held that the purpose of section 121 is only to ensure that articles of the growth, produce or manufacture of any province shall not be subjected to any customs duty or tax when carried into any other province. It does not apply to trade generally. Neither of the other two judges expressed any opinion on this point.

Atlantic Smoke Shops v. Coulon, 1943 A.C., 550, was decided on the question of whether or not a tax imposed by New Brunswick on tobacco was a direct tax within the meaning of section 92 (2) of the B.N.A. Act, and constitutional. Yet a dictum of the Judicial Committee of the Privy Council in that case approved the holding of the Supreme Court Judges in the Gold Seal case. I do not think we can very well quarrel with that holding.

However, I am of the opinion that this objectionable clause in the Canada Dairy Products Act is ultra vires. I shall now set forth my reasons for saying so.

Section 91 of the B.N.A. Act gives parliament legislative authority to regulate trade and commerce; it does not give authority to prohibit trade or commerce. Prohibiting trade is an entirely different matter from regulating it.

The honourable senator from St. Boniface (Hon. Mr. Davis) discussed with clarity and precision the provision in the constitution of the United States dealing with commerce, and the similarity of our constitution to it.

The constitution of the United States provides:

> Congress shall have power to regulate commerce with foreign nations and among the several states.

Section 91 (2) of the B.N.A. Act reads in part:

> . . . the exclusive legislative authority of the Parliament of Canada extends to . . .
> (2) the regulation of trade and commerce.

It will be seen that the provisions are very similar. In 1867 when the Fathers of Confederation were framing the B.N.A. Act they had before them the constitution of the United States, and also many cases interpreting the commerce clause in that constitution. So a reference to United States cases may be of value in interpreting our constitution.

Although Congress has the power to regulate commerce, that power has been limited and restricted by the courts to what their judges refer to as "police power". Police power is defined in *16 Corpus Juris Secundum, 537*, as:

> The power inherent in a government to enact laws, within constitutional limits, to promote the order, safety, health, morals, and general welfare of society.

It further states:

> The police power is subject to the limitation that the exercise must be reasonable and for the public good.

Cooley in his text on Constitutional Limitations, 572, says of the police power:

> It embraces . . . those rules of good manners and good neighbourhood which are calculated to prevent the conflict of rights and to ensure to each the uninterrupted enjoyment of his own, so far as is reasonably consistent with the right enjoyment of rights by others.

The Dairy Products Act cannot be said to be "consistent with the right enjoyment of rights by others". It protects the dairymen, and does not allow poor, needy persons to have a cheap spread for their bread.

The Supreme Court of the United States said that the power of Congress to regulate commerce was never intended to prevent the states from legislating on all subjects relating to the health, life, and safety of their citizens, though the legislation might indirectly affect the commerce of the country. (*Louisville v. Kentucky, 161 U.S., 701.*)

Let me now give you some of the holdings of the courts in the United States under the police power.

State quarantine laws, prohibiting the entry of persons or cargoes which might bring contagious diseases, are constitutional; and the national government also has jurisdiction in quarantine to prohibit improper immigrants and injurious traffic between the states. (*Morgan's v. Board of Health, 118 U.S., 464.*)

Again a federal appeal court in the United States held that under the police power Congress may enact a law forbidding the importation of liquors from one state into another which prohibits the sale of liquors; but it cannot prohibit the importation into a state which does not prohibit the sale. (*U.S. v. Sutton 185 Fed., 253.*)

So too, the Supreme Court of the United States held that Congress has the constitutional power to prohibit the shipment from one state into another of lumber manufactured by employees whose wages and hours of employment did not conform to standards prescribed under the Fair Labour Standards Act, as one of the purposes of the Act as set forth in the Act itself is to exclude from interstate commerce goods produced under conditions detrimental to the maintenance of the minimum standards of living necessary for the health and general well-being. (*U.S. v. Darby, 312 U.S. 100; 132 Am. L.R. 1430.*)

The Supreme Court of the United States has also held that oleomargarine is a recognized article of commerce, and cannot be wholly excluded from importation into one state from

another state where it is manufactured, though the former state may so regulate the introduction as to insure purity, without having the power totally to exclude it. (*Schollenberger v. Pennsylvania 171 U.S., and Plumley v. Massachusetts 155 U.S. 461.*)

This holding is inconsistent with an earlier judgment of the Supreme Court delivered in the year 1888, holding that oleomargarinous substances other than those produced from unadulterated milk are within the police power of the state as being dangerous to health. (*Powell v. Pennsylvania 127 U.S., 678.*) From what scientists tell us of margarine, no court could very well so hold today. Hence, Congress or a state may prohibit the entry into one state of commodities from another, only if in so doing they are exercising a police power.

Our courts have interpreted our constitution in much the same manner as the courts in the United States interpret their constitution, by allowing parliament and the provinces to interfere with trade and commerce among the provinces when it is necessary to do so to promote the order, safety, health, morals and general welfare of society. Our Canadian Courts do not refer to such legislation as being an exercise of police power. But Canada or a province may prohibit interprovincial trade in any product deemed to be of a general or injurious nature which should be abolished. I think this is the principle the honourable senator from De Lorimier (Hon. Mr. Vien), for whose opinion I have the highest respect, had in mind when he spoke. I think the court had that principle in mind when it decided the Prohibition case (1896 A.C., 348), for it spoke of the "liquor evil" and referred to the federal law imposing restrictions on interprovincial trade as a safeguard "against something of a general or injurious nature to be abolished or removed."

An examination of the proceedings and debates of a constitutional convention is a valuable aid to the construction of a doubtful provision. Such an examination should be entered into much more freely than in interpreting the proceedings of a legislature in preparing an ordinary statute, as in the former case it is the intent of the people through their representatives that is sought, while with a legislature it is the intent of the representatives themselves that is sought. As pointed out by the honourable senator for Toronto-Trinity (Hon. Mr. Roebuck), a perusal of the *Confederation Debates* should be very helpful in interpreting "trade and commerce" in our constitution.

Parliament clearly has the right to regulate trade and commerce among the provinces; but I respectfully submit that neither parliament nor the legislature of a province has authority to enact a law prohibiting interprovincial trade, unless it is necessarily enacted to promote the order, safety, health, morals or general welfare of society, or what the courts of the United States refer to as the exercise of police power. I further submit that oleomargarinous foods do not come within that category. Consequently, parliament may regulate, but it has no authority to prohibit the interprovincial trade in margarine.

The framers of our constitution intended that the different provinces should be united as one nation. Such legislation as the Canada Dairy Products Act—which I understand has not yet become law—will have the effect of weakening and ultimately destroying the unity of Canada. I suggest that before it it proclaimed it should be referred to the Supreme Court, so that its validity may be determined. It is not fair to expect individuals to test its validity at their own expense.

Some Hon. Senators: Hear, hear.

Hon. Mr. Davis: Mr. Speaker, may I rise on a question of privilege? The last speaker referred to me as the senator from St. Boniface, and just the other day another senator tried to give me that designation. I draw to the attention of honourable senators, through you Mr. Speaker, the fact that I am the junior senator for Winnipeg.

Hon. J. W. de B. Farris: Honourable senators, I should like to say just a word in connection with this bill. I was not in the house last session when the Canada Dairy Products Bill was considered.

As honourable senators know, I have taken quite an active stand in the house against the manufacture and sale of margarine; but had I been present when that bill was passed I would have voted against it. It is my intention to vote in favour of the bill now before the house, and I shall state my reasons for doing so.

I have listened with interest to the remarks of my honourable friend from Calgary (Hon. Mr. Ross) who has just spoken. True, there is a great deal to be said on both sides of this constitutional question, but that is a matter for the courts. Unless the case is an open and shut one, no member of this Senate should cast his vote on the basis of his own individual opinion of what the constitutional question should be. To my mind the problem is a far wider one, namely, the spirit of the constitution.

I agree with my friend from Calgary that the measure passed last year providing that the Dominion shall have the power to prohibit the free importation or transportation of certain commodities of trade from one province

to another is entirely against the spirit, if not the law, of the constitution. Such an enactment is unsound in principle, and if given effect to, its perpetuation may lead to very serious interference with the whole idea of a united country.

I intend to vote for the bill introduced by my honourable friend from Waterloo.

Hon. Mr. Robertson: I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

NATIONAL RAILWAYS AUDITORS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 9, an Act respecting the appointment of Auditors for National Railways.

He said: Honourable senators, since coming into this chamber fully prepared to explain this measure, I have learned by way of the grapevine that an honourable senator who is familiar with the subject of transportation had intended to put some difficult questions to me. Fearing that I, though well prepared, would not be in a position to answer him, I used the technique of trying to get him to explain the bill, so that it would become his function to answer questions. Having failed in that endeavour, I am prepared to take my chances, and will proceed.

This bill, honourable senators, is of a type which comes yearly to this house because of the necessity of providing annually for an audit of the affairs of the Canadian National Railways. It provides for the appointment of the firm of George A. Touche and Company as auditors of the National Railways for the year 1952.

Honourable senators may recall that except for one year, this firm has audited the accounts of the National Railways since 1923, when the system was created.

Parliament has provided for the manner in which the audit shall take place. The procedure is set up in section 13 of the Canadian National-Canadian Pacific Act, 1933, as amended by the Act of 1936. In effect it provides that a continuous audit of the accounts of the National Railways shall be made by independent auditors, appointed annually by a resolution of parliament, and that these auditors shall make an annual report to parliament. The method of proceeding by resolution was found to be unnecessarily cumbersome, and for some time past, as honourable senators are aware, appointment has been made through the passing of a bill.

The bill before us is as brief and to the point as in previous years. It is to provide for the appointment as auditors of George A. Touche and Company, a firm of chartered accountants with offices in Montreal and Toronto, at a fee of $65,000.

Hon. Mr. Haig: And with offices at Winnipeg.

Hon. Mr. Robertson: I purposely left that out to provide my honourable friend with something to say about the bill. He generally agrees with it in principle.

Effective July 1, 1950, the yearly indemnity was raised to $65,000, in line, I suppose, with the generally rising rates of pay of professional men and others who are in the fortunate position of being able to secure such advances.

I bespeak for this bill the kindly consideration of the house.

Hon. John T. Haig: Honourable members, the honourable leader of the government (Hon. Mr. Robertson) has suggested that I should speak. I have known one of the partners, who resides in Winnipeg, for forty-three years.

Hon. Mr. Aseltine: Favourably?

Hon. Mr. Haig: Favourably. The firm has been practising for that length of time in our city. I would not dare to go back there if I did not vote for this bill; and I have great pleasure in doing so. I have discussed with the Winnipeg partner the amount of work involved in this audit, and he invariably tells me, in a very stern and forbidding tone, that instead of speaking generally in favour of the bill I should ask for a higher remuneration because of the very great deal of work the firm has to do.

Hon. Gordon B. Isnor: As stated by the honourable leader of the government (Hon. Mr. Robertson), this Bill No. 9, an Act respecting the appointment of auditors for National Railways, is presented in the usual form; and, as mentioned by the leader of the opposition (Hon. Mr. Haig), the principle remains the same, with the rate of pay latterly raised to $65,000.

In his opening remarks the leader of the government said he had heard by the grapevine route that some honourable senator might present a difficult question. That remark does not apply to me; I would not presume to think I could pose a question which he could not answer.

There are, however, certain points I would like to put before the leader, the better to understand the functions of the auditors,

as to whether they work along lines similar to those pursued by the Auditor General of Canada in preparing his report.

Before doing so, may I refer in a general way to railway matters as affecting the Maritimes. I was very pleased when, on March 20, the honourable senator from King's (Hon. Mr. McDonald) drew attention to the slight improvements in railway service in that area and expressed the hope that there would be further improvements in the train service between the Maritimes and Montreal. There are three trains leaving Halifax for Montreal within a space of seven hours, and none in the remaining seventeen hours. Conversely, the three trains running from Montreal to Halifax arrive in our city within a period of five and a half hours, so that for some eighteen and a half hours there is no eastbound train service between these cities. This matter has been repeatedly brought to the attention of officials of the Atlantic Region of the railways in the hope that some change for the better would be made; and I now wish to support the statement of the honourable senator from King's, and to express the hope that the leaders of the government will see fit to place our position before the Minister of Transport, and that as a result the service will be improved. I recall that four years ago, in 1948, I wrote a letter on this question and asked that the train service be improved to the extent of cutting down the running time. I was then advised that work was proceeding on the roadbed and that this would result in a more rapid service.

The Hon. the Speaker: I must draw to the attention of the honourable senator that he is, in my opinion, very far from the subject-matter before the house, which is a bill for the appointment of auditors of the National Railways. I listened to his remarks for a short time, expecting that they would be brief; but his discussion of railway service is not relevant to the bill, and I would ask him to refrain from pursuing it.

Hon. Mr. Isnor: Thank you very much, Mr. Speaker. I had no thought of embarrassing the leader of the government by any question on the subject, but I think my remarks have a direct connection with the duties of the auditors. I have been wondering whether they made any worth-while recommendations such as one finds in the reports of the Auditor General. That is the point I was leading up to. I certainly will not go further in that direction.

Could the leader of the government explain to us what is represented by the item in the auditors' report to parliament of $23,347,000 shown as interest due to the government. How is that amount made up; over what period does it extend, and what further information can he give us about it?

I would also like him to turn to page 4 of the report, which I believe has a direct bearing on the bill, and explain why the sterling currency rate of exchange is shown at the former par figure of $4.86⅔ to the pound. That is how they have shown their assets in so far as the United Kingdom holdings are concerned. In my opinion we would have a truer picture if we took last Friday's rate of $2.76½. In that case the dollar would be worth about 57 cents, as compared to the rate which is being shown in their statement. As the honourable leader (Hon. Mr. Robertson) is well versed in all financial matters and is capable of dealing with all angles of a financial statement, a simple question like this should not be difficult for him to answer.

My third question is the one I mentioned a moment ago. Do the auditors ever make recommendations—such as are made by the Auditor General of Canada—in respect to measures of savings.

As I am not permitted to speak further at this time on the matter of improvements to the railway service between Montreal and Halifax, perhaps I shall be allowed to pursue that subject at some future time. I hope the honourable leader has been able to grasp the three simple questions I have put to him and will be able to give us the desired information.

Hon. Mr. Robertson: While I would not for a moment admit that I was not in a position to provide this information, perhaps in the interests of greater accuracy I might regard my honourable friend's remarks as a notice that he intends to ask these questions, and on some suitable occasion I shall be only too happy to supply him with the complete answers.

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

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

Hon. Mr. Robertson: Next sitting.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill U-7, an Act for the relief of Laetitia Daigneault Martel.

Bill V-7, an Act for the relief of James Alexander Ford.

Bill W-7, an Act for the relief of Joseph Gerard Abondius Fauvel.

Bill X-7, an Act for the relief of Richard Patenaude.

Bill Y-7, an Act for the relief of Françoise Bellehumeur Dixon.

Bill Z-7, an Act for the relief of Cynthia Daphne Roberts Gagne.

Bill A-8, an Act for the relief of Dorothy May Tucker Patterson.

Bill B-8, an Act for the relief of Reginald Clare Darrah.

Bill C-8, an Act for the relief of Marjie Weston Frost Law.

Bill D-8, an Act for the relief of Carmen Verna Garcia Copping.

Bill E-8, an Act for the relief of Edna Ruth Dowsett Young.

Bill F-8, an Act for the relief of Eleanor Mary Courtney Flannery.

Bill G-8, an Act for the relief of Florence (Fannie Ruth) Sacks Roitman.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the Speaker: When shall these bills be read the third time?

Hon. Mr. Aseltine: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 13, 1952

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

Prayers and routine proceedings.

THE LATE KING GEORGE VI

MESSAGES OF THANKS FROM HER MAJESTY QUEEN ELIZABETH II AND FROM HER MAJESTY THE QUEEN MOTHER

The Hon. the Speaker: Honourable senators, I have the honour to convey to the house two messages, one from Her Majesty Queen Elizabeth and the other from Her Majesty the Queen Mother.

The Senators rose and stood in their places.

The Hon. the Speaker: The messages are as follows:

Members of the Senate and of the House of Commons of Canada:

I have received with deep appreciation the Address which you have presented to me.

I am sincerely grateful for your kindly sympathy in the loss that I have sustained through the death of my dear father.

I greatly value the assurances of your loyalty and of your support which you have given me on my accession to the Throne, and it will be my continual endeavour to be worthy of them.

ELIZABETH R.

Members of the Senate and of the House of Commons of Canada:

I thank you warmly for your message of condolence.

Holding, as I do, the most vivid memories of our visit to Canada, the many expressions of sympathy which I have received from all parts of your great country have especially touched me, and I deeply appreciate this further sign of your thoughts and your affection.

ELIZABETH R.

SALACIOUS AND INDECENT LITERATURE

FIRST REPORT OF COMMITTEE

Hon. J. J. Hayes Doone presented and moved concurrence in the first report of the Special Committee on the Sale and Distribution of Salacious and Indecent Literature.

The report was read by the Clerk Assistant as follows:

The Special Committee appointed to examine into the sale and distribution of salacious and indecent literature beg leave to make their first report, as follows:

1. The Committee recommend that their quorum be reduced to five (5) members.

2. The Committee recommend that it be authorized to print 800 copies in English and 200 copies in French of its day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

CRIMINAL CODE BILL

DISTRIBUTION OF COPIES

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, before the Orders of the Day are proceeded with, may I say in connection with Order No. 4, which will be called in a few minutes, that I was a little optimistic as to the number of copies of the Criminal Code Bill which would be available at this time. At present we have on the table twenty copies of the bill and twenty copies of the report, and just how to distribute this small number among so many members taxes my ingenuity. However, I might suggest that distribution be proceeded with, and that those who accept them will be found among the lawyers, who openly profess that they know least about the law, and among the laymen who boldly profess that they have a greater knowledge of law than their fellows. I know of no other way.

Some Hon. Senators: Oh, oh.

NATIONAL RAILWAYS AUDITORS BILL

THIRD READING

Hon. Wishart McL. Robertson moved the third reading of Bill 9, an Act respecting the appointment of Auditors for National Railways.

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

DIVORCE BILLS

THIRD READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill U-7, an Act for the relief of Laetitia Daigneault Martel.

Bill V-7, an Act for the relief of James Alexander Ford.

Bill W-7, an Act for the relief of Joseph Gerard Abondius Fauvel.

Bill X-7, an Act for the relief of Richard Patenaude.

Bill Y-7, an Act for the relief of Françoise Bellehumeur Dixon.

Bill Z-7, an Act for the relief of Cynthia Daphne Roberts Gagne.

Bill A-8, an Act for the relief of Dorothy May Tucker Patterson.

Bill B-8, an Act for the relief of Reginald Clare Darrah.

Bill C-8, an Act for the relief of Marjie Weston Frost Law.

Bill D-8, an Act for the relief of Carmen Verna Garcia Copping.

Bill E-8, an Act for the relief of Edna Ruth Dowsett Young.

Bill F-8, an Act for the relief of Eleanor Mary Courtney Flannery.

Bill G-8, an Act for the relief of Florence (Fanny Ruth) Sacks Roitman.

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

PRIVATE BILL

THIRD READING

Hon. Mr. Stambaugh moved the third reading of Bill S-6, an Act to incorporate the Hotel Mutual Insurance Company.

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

CRIMINAL CODE BILL

SECOND READING

On the Order:

Second reading of Bill H-8, an Act respecting the criminal law.

Hon. Wishart McL. Robertson (Leader of the Government) withdrew from the Senate, to return accompanied by the Honourable Stuart S. Garson, Minister of Justice, whom he escorted to a seat in the chamber.

Hon. Mr. Robertson moved the second reading of the bill.

He said: Honourable senators, in line with the intimation that I previously gave to the house, we have the pleasure and honour of having the Minister of Justice here today to explain this bill.

Hon. Stuart S. Garson (Minister of Justice): Honourable senators, first of all I should like to express my appreciation of your having agreed to consent to waive your rule requiring at least two day's notice of a motion to move the second reading of a bill. Unfortunately, I had for tomorrow an appointment of several weeks' standing that it would have been virtually impossible to break, and the honourable the government leader of your legislative chamber (Hon. Mr. Robertson) tells me that you have very kindly made this afternoon available for an effort which should have been reserved until tomorrow.

One of the quite important reasons why we in the Department of Justice and in the Government decided to avail ourselves of the services of your honourable chamber on this occasion was the magnificent work which you did for us in considering the Bankruptcy Bill of 1949, and which I, as the minister in charge of that bill in the House of Commons, am confident did much more than cut our task in that house in two; I should think it probably reduced it by about 90 per cent. When that bill came there with your *imprimatur* upon it, the impression we had was that that was about all that was required in our debate. I hope that the same confidence will be entertained with respect to your efforts on the bill now before us.

Hon. Mr. Euler: Just as you treat our divorce bills.

Hon. Mr. Garson: The honourable senator says he hopes that we shall treat this as we treat the divorce bills that come from your chamber. I do not know that I would be able to subscribe to that view in all cases.

This bill, copies of which I believe have been tabled, is quite a voluminous document. It is a very large book indeed, I should think about the size of *Anthony Adverse,* and upon the whole for the average layman much duller to read. But it has this in common with all other books—at least, so it seems to me—that one of the important things to know about it is who is its author. In the present case we have not merely one author, but a large number of them, and they are all well known as competent men.

One of the hallmarks upon which this body and the members of the other place have to depend in considering a work is the good name of the author, so perhaps you will permit me to amplify the remarks that were made yesterday by the honourable leader of the opposition in the Senate (Hon. Mr. Haig) as to the manner in which this bill came into being.

The Criminal Code Revision Commission was originally composed of the Honourable W. M. Martin, Chief Justice of Saskatchewan; J. H. G. Fauteux Q.C. then of the Quebec Bar and now the Honourable Mr. Justice Fauteaux, of the Supreme Court of Canada; Mr. F. P. Varcoe, Q.C., Deputy Minister of Justice. To assist this Commission and to undertake in large measure much of the detail, there was appointed a committee composed of Mr. Robert Forsyth, Q.C., then with the Department of Justice, and now Senior County Court Judge at Toronto; Mr. Fernand Choquette, Q.C. then of the Bar of Quebec, now Mr. Justice Choquette; Mr. H. J. Wilson, Q.C. Deputy Attorney General of Alberta, and Messrs. Joseph Sedgwick, Q.C., and J. J. Robinette, Q.C., of the Bar of Ontario. The personnel of the committee was subsequently increased by the appointment of Mr. W. C. Dunlop, Q.C., of the Nova Scotia Bar, Mr. H. P. Carter, Q.C., Director of Public Prosecutions of Newfoundland and Mr. T. D. MacDonald, Q.C., who prior to succeeding Judge Forsyth in the Department of Justice was Deputy Attorney General of Nova Scotia.

The work of the commission and the committee was commenced in 1949 and continued until September, 1950, when there was a reorganization, and the work from that time

on was carried on by a committee which was subsequently appointed a commission, and was instructed to prepare a draft bill for the consideration of the government.

The commission, in accordance with their instructions, prepared the draft bill which I tabled in the House of Commons along with their report on April 7, and which my colleague, the honourable government leader in this house, has tabled in the Senate.

The bill now before you is a redraft of the commission's draft containing changes in some minor respects made by the Department of Justice, under instructions of the government. In the preparation of their draft bill, the commission had, of course, the benefit of the work already done, and their draft bill can be said to give effect in large measure to the views of all groups engaged in the work from the time it was commenced at the beginning of 1949.

The terms under which the commission were asked to enter upon the last phase of the work, namely, the preparation of their draft bill, were as follows:

(a) revise ambiguous and unclear provisions;

(b) adopt uniform language throughout;

(c) eliminate inconsistencies; legal anomalies or defects;

(d) rearrange provisions and Parts;

(e) seek to simplify by omitting and combining provisions;

(f) with the approval of the Statute Revision Commission, omit provisions which should be transferred to other statutes;

(g) endeavour to make the Code exhaustive of the criminal law; and

(h) effect such procedural amendments as are deemed necessary for the speedy and fair enforcement of the criminal law.

The main principle of this bill which we are now discussing on second reading, is that the Criminal Code of 1892, which has been in existence for 60 years without having had any major review and overhaul, should now be revised and consolidated.

The wisdom, and indeed the necessity for this step are so obvious that I shall not detain the honourable senators with any justification of it.

Honourable senators will note that under the terms of reference the purpose of the revision was not to effect changes in broad principles, but was to evolve as simple a Code as possible by the elimination of unnecessary or obsolete provisions, the correction of errors and the removal of inconsistencies, and to effect such consolidation and rearrangement as was deemed necessary to facilitate reference. The work involved was arduous and required great care. I am sure that honourable senators will agree that the commission have performed their work in an admirable way.

The report which was tabled deals with the number of meetings which were held and points out certain matters to which the commission felt attention should be drawn. It is not my intention to review the report of the commission, but to deal with the bill as a whole, pointing out general matters as well as certain specific matters which are thought to be of importance. It is neither appropriate nor possible for me to deal with every matter in which there has been change, so I shall confine my remarks to those things which can be considered of major importance. I therefore propose to deal with the bill under the following heads:

(a) Matters of a general nature.

(b) Changes in substantive law.

(c) Procedure:

(1) Indictable offences—

(i) Extension of jurisdiction of magistrates;

(ii) Method of election;

(iii) Sentences.

(2) Summary conviction offences—

(i) Inclusion of more than one offence in an information;

(ii) Appeal to be on evidence.

Under the general heading I shall deal first with the matter of rearrangement and consolidation. I have pointed out that the commission were not charged with the task of making changes in broad principles, but were asked to evolve as simple a Code as possible, and in doing so to make such consolidation and rearrangement as was thought necessary to the accomplishment of this end.

Honourable senators will have observed that there has been considerable consolidation and rearrangement. This phase of the work has contributed to the marked reduction in the number of sections in the bill as compared with the number of sections contained in the present Code. It is obvious that this feature of the work of the commission will, prove of great advantage to those who are called upon to interpret and administer the criminal law; and as a noteworthy example of this branch of the work I would direct the attention of honourable senators to Part XIX, in which are consolidated all clauses providing for the calling of witnesses in all proceedings to which the Act applies.

I would like now to deal with the extent to which the present bill is exhaustive of the criminal law.

Under the terms of reference the commission were asked to endeavour to make the Criminal Code exhaustive of the criminal law. The commission, however, as they went on with their task, came to the conclusion that the Code should be exhaustive in so far only as criminal offences are concerned, and that the criminal law of England, as presently in force in Canada, should be continued in respect of other matters; inter alia, procedure, matters of defence and rules of evidence not already codified. The result is that, in so far as the common law may now have effect in Canada, no change has been made other than to preclude the institution of proceedings for common law offences. In other words, once this bill has been made law, any information that may be laid will have to be laid for an offence which is defined as such in the Criminal Code. It will not be possible, as it now is, to lay an information against an accused for offences in respect of those matters which are not covered by our Code.

In case there may be some apprehension about this change, namely abolishing common law offences, let me touch briefly on the relevant history of the Code and the precautions taken by the Commission.

The English draft Code of 1878 is said to be the source of the Canadian Code of 1892. Perhaps I already have said that Canada has had only one Code, namely, the Code which Sir John Thompson introduced in 1892, and which this present measure is to consolidate. This 1892 Canadian Criminal Code was based in large measure on the English draft Code of 1878—a draft which never passed into law. While the English draft Code was intended to codify the criminal law of England, the offences set out therein were not drawn solely from the common law. A great many were drawn from statutes then in effect, and in particular, those Acts of 1861 which had been passed to consolidate and amend the criminal law of England.

In Canada, after confederation, a group of Acts affecting the criminal law were passed in 1869—about twenty-three years before our Canadian Code was introduced. These Acts contained a great many of the provisions of the English Acts of 1861 to which I have just referred. In introducing the Canadian Acts of 1869, Sir John A. Macdonald said that the primary object in introducing these criminal laws was the assimilation of the whole criminal law of the Dominion, and every consideration was subsidiary to this. That is to say, while the Acts of 1869 were not designated a Code, they did purport to assimilate the whole of the criminal law of Canada as it stood at that time.

In introducing the Code of 1892, Sir John Thompson made this observation:

> The present bill aims at a codification of both common and statutory law; but it does not aim at completely superseding the common law, while it does aim at completely superseding the statutory law relating to crimes.

The point I am making is that the statute law which the Code of 1892 aimed to supersede already included much of what had theretofore been the common law.

Bearing in mind the English statutes of 1861 and Canadian statutes of 1869, which had been passed, it is clear that even before the Canadian Code was passed in 1892 there had been extensive codification of the criminal law; and that therefore the number of common law offences to which resort would be had after the Canadian Code was passed would not be great. The Martin Commission has found, after consultation with the provinces, that resort has been had to common law offences in a very limited number of cases, and the commission have incorporated in their draft bill those common law offences which the experience of the past sixty years has shown should be continued as part of the criminal law of this country. Having regard to the fact that before the Code of 1892 a considerable number of common law offences were dealt with by statute, and that there has been a careful examination of the cases relating to common law offences since 1892, and all those regarded as applicable incorporated in the bill, it is clear that what is referred to as the abolition of common law offences in this bill is not at all extensive; indeed its compass is very small.

I am sure honourable senators will agree that it is much more satisfactory to have those things which constitute crimes clearly set out in a statute, readily available to all, than to have to resort to ancient texts to ascertain what conduct is criminal in this country. In view of what I have pointed out, there is strong assurance that the draft bill contains all the common law offences which are required and that there will be no gap in our law in this respect.

The commissioners in their report have dealt at some length with punishment. There is just one phase of this matter with which I wish to deal at this time, and that is their recommendation to abolish both minimum punishments, and higher maximums for subsequent offences. The purpose of this is to give the courts a wider discretion in the imposition of punishments. It is recommended as a general principle that all minimum punishment shall be abolished and that there shall be no stated maximum for subsequent offences, but that the judge, on the facts of

the case before him, and within a wide discretion permitted to him under this new Code, shall exercise his own judgment, and if the accused has been guilty on more than one occasion of the offence charged, he shall take the fact into account and punish the man accordingly.

In so far as minimum punishments for first offences are concerned, the recommendation of the Commission has not been accepted *in toto* by the government. The instances in the present Code in which a minimum sentence must be imposed on conviction for a first offence are few in number. Had the Commissioners retained the principle of minimum punishment, the following offences would have carried minimum terms in the bill: or, putting it in another way, the offences I am now going to name are the only ones in the present Code for which minimum terms are provided:

Driving while intoxicated ..... (cl. 222)
Driving while ability impaired ..... (cl. 223)
Thefts of certain matter from the Post Office (cl. 298)
Theft of a motor car (theft of a motor car was not carried in as a separate offence).
Robbery of the mails ..... (cl. 390)

However, in view of the recommendation of the Commissioners, minimum punishments for these offences were not continued in their draft bill, which is attached as an appendix to their report.

In the bill now before this chamber minimum punishments have been restored in respect of offences relating to the Post Office and in respect of drunken driving or driving while ability is impaired. Upon a purely pragmatic basis we think it is better, in relation to these specific kinds of offences, to maintain the minimum penalties. As there will be full opportunity for detailed discussion in committee I will at present say only this, that while there may be some merit in the recommendation of the Commission, we think that because of their deterrent effect, minimum penalties should not be entirely abolished, and it is for this reason that we propose they should be retained in respect of the offences I have just mentioned.

I should now like to discuss changes in the substance of law, and in doing so will attempt to discuss, as one can appropriately do on second reading, the principles of certain changes in the substantive law which the Commissioners regarded as properly part of the task assigned to them. In accordance with rules I shall confine my remarks to such principles, and the relevant sections can be considered in greater detail when the bill is in committee.

It will be observed that the definition of treason has been redrawn. The effect of this revision is, in my view, to place somewhat greater emphasis on those phases of this subject which relate to the security of the state.

In respect of the offences of sedition, the Commission included in the draft bill which it submitted a definition of "seditious intention". No doubt the Commission was moved to do so by reason of the fact that the question of what constituted a "seditious intention" had recently been dealt with by the Supreme Court of Canada in *Boucher v. The King* (1951) S.C.R. 265.

We examined the judgments of the various members of the Supreme Court in that case and we came to the view that it would be wiser to leave that decision itself to govern what constitutes a "seditious intention" and to have the advantage of future judicial pronouncements as to the effect of that judgment before attempting to reconcile and codify in a few short passages what constitutes "seditious intention" as laid down in the reasons for judgment in that case. Sometimes it is difficult to codify reasons for judgment.

Another change to which I feel I should at this time direct the attention of honourable senators is the creation of a new offence designed to meet those cases of perjury where it is impossible to determine which of two sworn inconsistent statements is false. Cases arise where in preliminary proceedings a witness will swear to certain facts and later at the trial will give contrary evidence. In such cases, there cannot possibly be any doubt that perjury has been committed in respect of one or other of the statements. However, it is impossible to establish which statement is false because the person testifying is sometimes the only person who can establish this. It is to meet situations such as this that clause 116 of the bill has been inserted. I would point out that this provision is confined to testimony on a material issue and provides safeguards in cases of honest mistake.

In Part IV of the bill, which is the part dealing with sexual offences, there is one matter to which I wish to direct attention, namely a change made in connection with the offence of carnal knowledge of girls under fourteen years of age.

The simplest way of dealing with this matter would be to quote what is said by the Commissioners in their Report at page 16 in dealing with substantive changes:

> One example is that under the present code on a charge of rape or indecent assault, the evidence of the complainant need not be corroborated. However, a rule of practice requires the trial judge to give a warning as to the danger of convicting on

the complainant's evidence alone. This rule is codified and extended to cases of carnal knowledge (clause 134) with the result that under the draft bill corroboration of the evidence of the complainant is no longer required in cases of carnal knowledge.

It was rather anomalous that it should be required in that case and not be required, for example, in rape.

The next matter I should like to discuss is that of criminal negligence. The subject of causing death or bodily harm by criminal negligence is one to which the Commissioners have paid careful attention and which they have dealt with at considerable length in their report. There is no purpose in my repeating here what has been said by the Commissioners in their report, but I would like to emphasize that while a new offence has been created and a definition of criminal negligence inserted, this effects really no substantive change in the law but is for the purposes of clarification and to bring the Criminal Code into accord with judicial interpretation.

I now pass on to clause 365 of the bill. This provision deals with breaches of contracts, the result of which will endanger life, deprive the public of essential services or prevent the running of passenger or freight trains.

May I, for a moment, touch on the history of this section. The provision was first enacted in the Breaches of Contract Act passed by the Canadian Parliament in 1877. In introducing the bill, Mr. Blake (later Sir Edward Blake) said:

> The bill did not profess to deal even with a strike, or to interference with the freedom of the employee to leave the service of his employer at any time when his contract expired. It professed in general terms to say that, save under special circumstances, breach of service was not a crime. It professed to define certain breaches of contract, or in the event of certain breaches of service, when they involved consequences of such moment and were connected with such results as might in the opinion of the government, fairly be called crimes, to define and punish them as such. To deal with such a measure was an entirely different question from such as how to avoid a breach of contract, or how to treat a riot, how persons obstructing railway engines were to be treated, how persons who made murderous assaults, as alleged, were to be treated, or how the militia of this country was to be called out in aid of the civil powers.

Under the enactment of 1877, it was an offence for anyone who was under contract to provide light or water to a municipality or who was under contract with anyone who had agreed to supply such services to break such contract knowing or having reason to believe that in doing so the inhabitants of the municipality would be deprived of light or water. There was a similar provision relating to railways.

The provision thus created two offences, namely,

1. To break a contract to supply services, and 2. To break a contract with a person who had agreed to supply services.

Next I wish to deal with the effect of the 1906 revision upon these Statutes. Before I do so, however, I should point out that the enactment of 1877 was carried forward into the Code of 1892, and when certain revisions of the Statutes were taking place in 1906, the sections dealing with this type of contract came under consideration.

In the 1906 revision of the statutes the wording of the relevant sections was so changed that while they purported to continue this second offence—that is, the offence of breaking a contract with a person who had agreed to supply services—the amended wording left at least a grave doubt as to whether they did have that effect. It is to remove this doubt that the commission have recommended that clause 365 of the present bill be enacted, so as to put the section back to its original substance, except that it now contains no reference to the carriage of the mail.

The Commissioners, in keeping with Canada's status as an autonomous nation, by clause 420 give effect to the criminal law in territorial waters surrounding Canada. This clause is an adaptation of the provisions of the Territorial Waters Jurisdiction Act of 1878. However, in the draft bill as submitted by the commission a limit of twelve miles was fixed for territorial waters. It was felt by the department and by the government that this was an undue extension for the purposes of administration of the criminal law and that there should be no departure from what is generally recognized as the limit of territorial waters under international law, namely, three nautical miles. We have no doubt that the adoption by the commission of the twelve-mile limit was for the purpose of making this bill dealing with the criminal law uniform with the Customs Act, which permits search of Canadian vessels within this limit. But in the administration of the Customs Act the officials have the problem of vessels hovering about to commit a breach of the Act, which is not usually encountered in the administration of the criminal law in general, and we do not think it necessarily follows that because there is a twelve-mile limit under the Customs Act we should have the same limit under the criminal law. We do not think that foreigners and foreign ships within the twelve-mile limit should be brought within the purview of the Criminal Code.

Now I come to habeas corpus proceedings. Under the law as it stands at present, although there has not been universal acceptance of this, an applicant for a writ of habeas corpus, if not successful in securing the relief sought in the first instance, may make successive applications to a single judge. That is, if he applies to Judge A for a writ of habeas corpus and the judge says "No", he may next apply to Judge B, who may also say "No"; and after applying to four or five other judges he finally gets, say to Judge F, who may say "Yes". That gives Judge F in effect the power of an appeal court over his brother judges. It has been held that where the statute contains a provision for an appeal court, an applicant must avail himself of the machinery of appeal and may not go from judge to judge. It was so held in *In re Hall*, 9 O.A.R., 135, by Mr. Justice Patterson, at page 149:

> Where an appeal is given from the court in terms to the Court of Appeal, the important consequence naturally suggests itself that there be no longer the right to apply for a writ of habeas corpus to one court after another.—The intention of the legislature evidently was that the remedy should be worked out by the machinery of the appeal and that there should be no second writ allowed.

It was further held in *In re Davis*, 25 D.L.R., 96, by Chief Justice Harvey of Alberta, at page 98:

> The disadvantage of one judge being required to sit practically in appeal from a brother judge and the consequent loss of dignity and respect to judicial decisions in case of a difference of opinion, caused our practice to be changed and now by r. 20 of the Crown Practice Rules, the decision of a judge on an application for habeas corpus is final, subject only to appeal to the Appellate Division.

In the provinces of Ontario, Quebec, British Columbia and Alberta provision was made for an appeal, and in some instances successive applications were prohibited unless the subsequent application was based on new facts. Of course, if there were a new set of facts then in a sense there was a different case. The reason I say "in some instances" is that in two of these provinces there was some difference of judicial opinion, which is not particularly relevant to our present discussion. Then a decision was rendered by the Supreme Court of Canada in the case of *In re Storgoff*, 1945, S.C.R., that the provincial enactments providing for an appeal from the refusal of an application for habeas corpus did not apply to habeas corpus arising out of criminal proceedings, as habeas corpus was essentially a matter of civil law.

That had not been the law until this case of *In re Storgoff* was decided. It had previously been held, although not with complete uniformity, that while according to our constitution, criminal matters come under the jurisdiction of parliament and matters of civil procedure come under the jurisdiction of the provincial legislatures, a provincial law providing for appeal in the case of habeas corpus proceedings applied not only to civil cases in the provincial courts but, as procedure, applied also to criminal matters in provincial courts. That had had the effect in most cases of preventing habeas corpus applications in criminal matters from being made from one judge to another, since it was held that because of the provincial statutes an appeal had to be taken to the Court of Appeal. But in the case of *In re Storgoff* the Supreme Court decided that these enactments no longer applied to applications for the writ where the applicant was in custody as a result of criminal proceedings. That is, since criminal proceedings were under the jurisdiction of the federal parliament, these provincial enactments did not apply to them. Nevertheless, the fact that provision had been made in certain provinces for an appeal in order to preclude successive applications indicates a considerable body of opinion opposed to the practice of successive applications to a single judge on the same facts.

The commission, as can be seen from their report and this draft bill, were of opinion that there should not be successive applications, but that an appeal should be given to the full Appellate Court, thus restoring the practice which had obtained in certain provinces prior to the decision in *In re Storgoff* and extending the appellate procedure to the whole of Canada. If this is done, an applicant who feels that his application has been improperly rejected by a judge will in all cases have the right of an appeal to the Appellate Court.

That disposes of the main changes in the substantive law.

Under the general heading of "Procedure" I should like to deal with the consolidation of Parts dealing with non-jury trials of indictable offences. In the present code, there are two Parts dealing with the non-jury trial of indictable offences. In the bill these Parts have been consolidated and the provisions of Part XVII which deal with jury trials, where they are not inconsistent, have been made applicable. The advantage of this is to have uniformity in so far as possible in the trial of indictable offences.

Extension of Jurisdiction:

It will be observed that under the provisions of the consolidated Parts, the jurisdiction to be exercised by Magistrates will be exercised only by those who are specially appointed for that purpose.

In view of this and in the expectation that jurisdiction to act under this Part will be

bestowed on qualified persons, the jurisdiction to try an accused with his consent has been extended to include certain offences which must now be tried by jury. I would emphasize that this in no way impairs the right of an accused to trial by jury and that the accused will continue to have the right to select the method of trial which he desires.

New Form of Election:

There has been a change in the form of election which an accused may make. Under the code as it now stands, an accused who is before a Justice of the Peace is given no election as to method of trial but the Justice is empowered to hold only a preliminary hearing. Provision is made in the revision whereby the Justice, if he decides that a case for committal is made out, will then require the accused to elect for trial by a judge sitting without a jury or by a judge and jury.

Where an accused is before a magistrate, he may now elect for trial either before a magistrate or before a judge and jury. Under the Bill, the election will be for trial before either a magistrate, a judge without a jury or a judge and jury, and he makes his choice.

Put briefly, the change effected by the new form of election is that an accused when in the police court will be given an opportunity to elect trial by a judge alone if that is the method of trial he prefers.

I would point out that the right of an accused who has elected trial by jury to re-elect for trial by a judge alone, which now exists, has been continued—that is to say, under law as it stands at the present time an accused who has been committed for trial may elect trial by jury, but if later on for one reason or another he desires to change his election to trial by a judge alone, he may exercise that right. Under the amendment such a right of re-election is maintained.

Sentences:

Under the present Part XVI, which deals with summary trials by magistrates, of indictable offences, there are special provisions relating to sentences in respect of those offences over which a magistrate has absolute jurisdiction.

Under the revision, these special provisions have been abolished and the sentences which may be imposed for these offences will be the same as those which may be imposed in any other court.

It was anomalous that a person tried in a higher court should be subject to a greater penalty than a person tried by a magistrate under Part XVI.

Appeal by Attorney General of Canada:

As honourable senators know, prosecutions under certain Dominion statutes as well as under the Code are conducted by the Department of Justice by arrangement with the provincial authorities. That is to say, the administration of justice—notwithstanding the designation of the federal Department of Justice—is a provincial function, but the provisions of certain statutes are enforced by the federal Department of Justice after first making arrangements with the provincial authorities. In such cases, the provincial authorities take no part in the trial. It was the view of the commission that in such cases the Attorney General of Canada should have the same rights of appeal as those possessed by provincial Attorneys General and a provision has been inserted to this effect (clause 601).

Summary Convictions:

The principal matters to which I wish to direct attention in respect of changes in procedure in summary conviction offences are the following:

(a) Inclusion of more than one offence in an information. Under the Bill, provision is made for the inclusion of more than one offence in an information. This is not an innovation. Similar provision will be found in both dominion and provincial Acts and the practice was widely adopted in connection with wartime regulations. As a proper safeguard, it will be noted that power is given the court to order a separate trial on any one or more of the included charges if the court is of opinion that such a course is necessary in the interest of justice.

(b) Appeal to be on Evidence. Under the present provisions of the Code where an appeal is taken in a summary conviction matter, the court must hold a new trial or as the lawyer calls it a trial *de novo*. The practice has grown up among certain shrewd lawyers of not putting in any evidence for the defence at a first trial; then being familiar with the Crown's case, an appeal is launched and the case is tried *de novo*. Having heard the Crown's case such a lawyer is in a position to bring in his evidence, and it is sometimes thought that acquittals are so won which are not warranted.

Hon. Mr. Euler: Disgraceful.

Hon. Mr. Garson: The commissioners have recommended that in future the appeal should be determined on the evidence taken in the

court of first instance as in the case of more serious indictable offences. In order that the court will have before it all essential evidence, authority is given to hear additional witnesses as well as witnesses called on the trial. It would appear that this is a proper change as it seems an unnecessary duplication to have witnesses called to give the same evidence on two separate occasions in respect of the same issue.

Before leaving this branch of the bill, I should point out that the summary trials part and the part relating to summary conviction offences were submitted to provincial representatives at a joint meeting held in Toronto in September last. These parts were discussed section by section, and the commission in its report points out that in general the revision of these parts was acceptable to the provincial representatives.

In closing, there is one general observation I would like to make. In opening I pointed out that the revision was not undertaken for the purpose of effecting changes in broad principles. Our system of criminal jurisprudence embodying as it does the high principles of the British system provides as fair and just a system as it is possible to devise to ensure that justice will be accorded to all. I am sure that those who have studied the Bill will agree that the Commission in its work, and the bill now before you, honourable senators, have maintained those principles.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable members, it is not my intention to adjourn the debate. I have had the good fortune to have an opportunity to read the memoranda which the commissioners sent with their bill, and the Honourable Minister of Justice has commented extensively on that information.

I propose to repeat somewhat my remarks of last night, in that I think there is nothing to be gained by a long discussion on the bill in this house. It is a type of measure that is better handled in committee, where honourable senators may have a free and frank discussion of its provisions. The memoranda accompanying the bill give a very clear exposition of what is intended by the amendments. I did not have to attend the Divorce Committee this morning, so I spent a good deal of time going over the material before us. I checked up on some of the changes and, with respect, I say to the honourable minister that I am not sure that I agree with his views. But as I am not an outstanding lawyer, it may well be that the commission is right and I am wrong.

To study the bill in committee would help us to understand it better: each clause could be considered by itself as we went along: most of the sections would be read and passed without debate. I do not markedly disagree with the Minister of Justice. This is not the first time that I have sat with the honourable gentleman in a legislative assembly. For eight years we occupied seats opposite each other in another place, so that his voice and manner are not unfamiliar to me. I offer him my congratulations; personally I am delighted to see him here.

I would not withhold for some poor fellow accused of an offence the right to a trial *de novo* if he has been before a certain magistrate or in certain courts. From my experience with some magistrates, and with due respect to them, I would say that were I charged with an offence, I would rather take my chances in a higher court than before them in the court below. However, that is a detail. My point is that the house should send this bill to committee in order to understand it better.

The minister made a very fine presentation this afternoon. Although myself a lawyer of sorts, it kept me busy to follow all the changes he proposes, and I think it must have been very difficult for laymen to understand the significance of them all. I shall not repeat what I said yesterday, but if a certain gentleman—the minister knows to whom I refer—or someone as well qualified were available to the committee, we would gain a much clearer understanding of this bill. The man I have in mind is really experienced in this matter. One cannot serve ten years in a city police court without getting a pretty good idea of the ramifications of the criminal law. So I suggest that he be allowed to meet the committee; then we can have a discussion, and when the bill is reported to the house all of us will have a better understanding of it. Further, if I am not in agreement with some decision of the committee, I want to be free on third reading to raise such objections as I see fit. By voting today for second reading of the bill I am not to be understood as confirming it. I think that all of us need more information, and that a better job can be done in committee.

I thank the minister for his references to the Bankruptcy Act. He might also have mentioned the income tax law, on which some of us have very definite opinions.

In conclusion, I am persuaded that if we do a good job in connection with the present bill, members of the House of Commons, no matter how they may talk about the Senate when they are away from Parliament Hill, when inside this building will admit that we are a pretty fine class of people.

Hon. Thomas Reid: May I be permitted to ask the minister a question? During his speech he said something about territorial waters and the jurisdiction relating thereto. He spoke of the twelve-mile limit as it relates to customs law enforcement, and also referred to the three-mile limit. In view of the fact that international law knows nothing of the three-mile limit, or territorial waters, has the commission given consideration to the idea of extending our territorial waters and so protecting our fisheries?

Hon. Mr. Garson: Honourable senators, I think the answer is, that what is meant by "territorial waters" is determined to a considerable extent by the subject-matter with which you are linking it. Let me take as an example, in order to make my explanation as brief as possible, the criminal laws of the United States and of all the various members of the British Commonwealth retain this three-mile limit. When you get into customs administration you must have regard to the fact that you are dealing with a new set of practical problems, problems of vessels hovering off the coast, waiting until darkness falls in order to start their criminal activities; and the same sort of practical problems arise when you are dealing with questions of fisheries. One of the most recent judgments of the International Court at the Hague had to do with the question of Norwegian territorial waters. The report is not yet available, but an article upon it has been written by Professor Lauterpacht, a member of the staff of one of the British universities, who has analysed and summarised this judgment. One has only to read his article to see that the judgment deals with the question of territorial waters in connection with an entirely different matter, namely Norwegian fisheries, wherein the conformation of their coastline and their fiords, the places in the ocean where fish are to be found, and similar considerations play their part, and the law in such a case is not a very satisfactory guide to what we should enact in our Canadian Criminal Code. So far as the disposition of the matter before us is concerned, it relates only to the criminal law. One of the problems with which we had to concern ourselves was the consequences of asserting jurisdiction over a foreign ship within the twelve-mile but beyond the three-mile limit. Supposing it is a Norwegian ship, with a Norwegian captain and crew, sailing under the Norwegian flag: are we to say that it is the responsibility of the Mounted Police or any other Canadian police or of the Canadian courts, if a murder is committed on that ship while it is within those nine miles of water, to bring the murderer to justice? I do not think we would want to do that. If we have enlarged our jurisdiction in connection with fisheries or customs, the only reason is in order to deal with the practical problems which arise in relation to both these matters.

Hon. Mr. Hayden: May I ask the honourable minister a question, as unfortunately I was not here during the whole of his speech. Did he deal with the question of a new definition of criminal negligence?

Hon. Mr. Garson: Yes.

Hon. Mr. Hayden: By what process of logic and reasoning has he finally evolved the present definition?

Hon. Mr. Garson: Well, honourable senators, I cannot plead guilty to having defined it. It was defined by the commission, and after consideration of their commission we adopted it, and I think it can be defended.

Hon. Mr. Hayden: As I read clause 191, Mr. Minister, it purports to define criminal negligence as follows:—

(1) Everyone is criminally negligent who shows a wanton or reckless disregard for the lives or safety of other persons

(a) by doing anything, or

(b) by omitting to do anything that it is his duty to do.

(2) For the purposes of this section, "duty" means

(a) a duty imposed by law, or

(b) a duty for the breach of which a person may be found liable in civil proceedings.

It strikes me that if I am required to do something on the civil side of the law, and I fail to do it, and I can be sued for damages, that would appear to be made one of the elements in the constitution of "criminal negligence" as defined in section 191. Now, is that intended?

Hon. Mr. Garson: I think it would help if I were to repeat what I said on this subject when my honourable friend was not present. It was this: The subject of causing death or bodily harm by criminal negligence is one to which the commissioners have paid careful attention and which they have dealt with at considerable length in their report. There is no purpose in my repeating here what has been said by the commissioners in their report, but I would like to emphasize—and I think this answers my honourable friend's question—that while a new offence has been created and a definition of criminal negligence inserted, this effects really no substantive change in the law but is for the purposes of clarification and to bring the Criminal Code into accord with judical interpretation.

In other words, if the view of the commission and of the Department of Justice is right, and I think it is, we have done nothing more in this than to state what is now

established as the law by our jurisprudence; in other words, to codify the legal decisions upon this point. I think that will become apparent when it is discussed in detail in committee. If my honourable friend wanted to go into it we could supply the whole list of decisions which brought us to this conclusion.

With reference to the specific question as to whether the mere breach of a duty in itself would constitute criminal negligence, I would be very much surprised if there are any decisions to that effect, or if the proper interpretation of the section which the honourable senator has read is to that effect. As I have always understood, and I am sure my honourable friend agrees with me, the breach of a duty imposed is negligence; but whether coupled with all of the other circumstances in the case it proves a wanton and criminal negligence is a question of fact, to be determined upon the facts of the case before the court. I think that is the only answer I can give to my honourable friend at this time. I do not altogether agree with his point but it is properly taken, and I would be glad to go into it in committee.

Hon. Mr. Hayden: I am not quarrelling with your statement of the law, but I am wondering whether section 191 is drafted in a way which reflects that.

Hon. Mr. Garson: It is thought by the commission that it does that, and by our departmental and parliamentary draftsmen, to whom my honourable friend the leader opposite (Hon. Mr. Haig) was referring in such glowing terms a few moments ago. It is possible that they may be wrong, and if they are, we could correct this in committee. One of the reasons this matter is being considered by the Senate is that this body can make corrections of that sort.

Hon. Mr. McDonald: Do I understand the honourable gentleman to say that he will be available at our committee meetings?

Hon. Mr. Garson: Yes.

Hon. Mr. McDonald: Are the sections that are new so marked for study purposes?

Hon. Mr. Garson: We shall have, for the purposes of the committee, a list of all the sections which have been discontinued and dropped, all those in respect of which substantive changes have been made, all of those which have been changed as to wording without change as to substance, and all of those which are carried into the new bill in their identical form. By using these means one can move right through the bill and know exactly what has happened to every section in the present law.

Hon. Wishart McL. Robertson: Honourable senators, I wish to join with the leader opposite (Hon. Mr. Haig) in thanking my colleague, the Minister of Justice (Hon. Mr. Garson) for having given us such an interesting exposition of this bill on the motion for second reading. Of course, my prime object in life is to expedite the passing of legislation. I suppose, therefore, I should welcome the suggestion made by the honourable leader opposite, that second reading be given to this measure today. At the same time I should point out that one honourable senator who was unable to attend today was assured that this legislation would not be given second reading this afternoon. I do not know whether this honourable gentleman, who has always taken an active interest in matters of this kind, may wish to say something on the second reading or not, but in fairness to him I would be reluctant to have the debate closed at this time. Unfortunately I was unable to supply copies of this bill before honourable senators came to the chamber today.

Hon. Mr. Aseltine: Will we have copies tomorrow?

Hon. Mr. Robertson: There are twenty copies available now, and I think additional ones will come to us progressively. It is merely a question of getting them printed, and I shall certainly see that members get them as soon as possible. In case any honourable senator decides to speak on the second reading of the bill, I am going to suggest to my deputy whip that he adjourn the debate.

Hon. Mr. Taylor: Honourable senators, I move the adjournment of the debate.

The motion was agreed to.

CANADA DAIRY PRODUCTS BILL

SECOND READING

On the Order:

Resuming the adjourned debate on the motion for the second reading of Bill B, an act to amend the Canada Dairy Products Act.

Hon. Mr. Robertson: Honourable senators, as I stated last night, I shall not be in a position to take part in this debate before tomorrow at the earliest. I have been desirous of consulting my colleagues about the matter, but there has been no meeting of the government for the last few days, and at present the Prime Minister is away. I hope, however, to have a consultation tomorrow and to make my little contribution to the debate in the afternoon. I therefore ask that the order stand.

The Hon. the Speaker: The Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 14, 1952

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen presented the report of the Standing Committee on Miscellaneous Communications on Bill R-6, an Act respecting The Burrard Inlet Tunnel and Bridge Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 6, 1952, examined the said bill, and now beg leave to report the same without any amendment.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill E-7, an Act respecting The Sisters of Charity of the House of Providence.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 8, 1952, examined the said bill, and now beg leave to report the same without any amendment.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill G-7, an Act respecting a certain patent application of the Garrett Corporation.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 8, 1952, examined the said bill and now beg leave to report the same without any amendment.

PRIVATE BILL

FIRST READING

Hon. J. G. Fogo moved the first reading of Bill I-8, an Act to incorporate The National Dental Examining Board of Canada.

The bill was read the first time.

CRIMINAL CODE BILL

SECOND READING

On the Order:

Resuming the adjourned debate on the motion for the second reading of Bill H-8, an Act respecting the Criminal Law.

55708—16½

Hon. Mr. Robertson: Honourable senators will recall that yesterday I suggested that the deputy whip might adjourn the debate in order to provide an opportunity for any honourable member who might wish to speak to this motion.

Hon. Arthur W. Roebuck: Honourable senators, I was unable to be present yesterday, and naturally might be expected to be heard from in a matter of this kind. Therefore, in the first instance, I thank the honourable leader for having held the debate open until I could say a few words, notwithstanding that there seems at this time very little to be said.

The bill comes to us at a very late hour, for it is a very large bill, and, did anybody imagine that our giving it second reading would be taken as approval of the bill, I should strongly object. But I do not so understand the procedure. I have had an opportunity of reading what was said by the commissioners in their report, which was distributed to us two or three days ago, but I am sorry that I was not able to hear the remarks made yesterday by the Minister of Justice. However, this morning—though not until twelve o'clock—I obtained in *Hansard* a copy of his speech. The bill itself, which is a document of approximately 300 pages, and which by the way I borrowed from the Clerk, reached my desk at about 12.30 this afternoon. So the opportunity of reading 300 pages has been nil.

I appreciate the statement made here yesterday by the Minister. The point about the bill, as I see it, is that it is not a recasting of the criminal law. The instructions to the commissioners were to revise the expression of the law only. It is not a new criminal law which is being enacted, but only a new enactment of the old criminal law. It is true that you cannot change the phraseology of a section of the Code without changing the meaning to some degree, though not necessarily drastically. And while of course the bill does change the criminal law to some extent, that is not the main purpose of the measure. Its main purpose is to rearrange the Code so as to make it more readily readable or clearly understood. As stated by the Minister here yesterday, the instructions given to the commissioners were to:

(a) revise ambiguous and unclear provisions;

(b) adopt uniform language throughout;

(c) eliminate inconsistencies, legal anomalies or defects;

(d) rearrange provisions and Parts;

(e) seek to simplify by omitting and combining provisions;

(f) with the approval of the Statute Revision Commission, omit provisions which should be transferred to other statutes;

(g) endeavour to make the Code exhaustive of the criminal law; and

(h) effect such procedural amendments as are deemed necessary for the speedy and fair enforcement of the criminal law.

Honourable senators will observe that there is no authority given to the commissioners to change the criminal law as such or to provide the Dominion of Canada with a new criminal law. Only the expression of the law is under review. That is a matter of great detail.

Hon. Mr. Nicol: Mr. Speaker, I should like to rise on a point of order. I have asked for a copy of the bill now being discussed and have not received one. I do not know why we allow bills to be discussed in this house before copies have been distributed.

The Hon. the Speaker: I would point out to the honourable senator that it is with the leave of the Senate that the debate is proceeding when only a limited number of copies have been distributed. I understand that the consent of the house given to proceed yesterday continues today.

Hon. Mr. Vien: Mr. Speaker, on the point of order. It is quite correct to say that leave was given to proceed with the debate on second reading yesterday in order to enable the Minister to explain the bill; however, it does not follow that we should continue to debate today without every senator having a copy of the measure before him, as required by the rules of the house. Further, inasmuch as there is a report of the commissioners available, that report also should be in the hands of honourable senators. It is not possible to follow intelligently what is being said in this debate without the measure being before us. I very strongly support the honourable senator's point of order.

On the remarks made by Your Honour, I would suggest that extending the consent of the house to allow the continuation of the debate today would be going beyond our understanding of what happened yesterday when the minister had leave to explain the bill. I do not believe that could be construed as consent to the debate continuing without copies of the bill having been distributed.

The Hon. the Speaker: In answer to the observations of the honourable senator, I may say that leave of the Senate was given, and at first it seemed that second reading would take place yesterday. However at the end of the sitting the honourable leader of the government did not insist on second reading because he felt that all honourable members should have an opportunity of speaking to the measure. That is why I conclude that the consent of the house given for yesterday is still in effect.

Hon. Mr. Vien: Mr. Speaker, I of course do not want to appeal from Your Honour's decision, but I feel that the honourable leader would be well advised not to insist on proceeding with the debate today, but to allow it to stand until Tuesday next.

Hon. Mr. Roebuck: Honourable senators, let me say that I have no objection at all to suspending what I have to say until later, if the Senate so decrees.

Hon. Mr. Robertson: May I interject a remark at this juncture, lest anything my honourable friend has said as to my insisting on the debate being proceeded with today be misunderstood. That is quite contrary to the fact: I intervened yesterday to prevent the bill from receiving second reading, though all honourable senators present were apparently agreeable to such a step being taken. I said at the outset of the sitting that only twenty copies of the bill were available. I had hoped that by today more copies would be on hand, but I am now advised that they will not reach us until tomorrow morning. Entrusted as I am with the responsibility of the leadership of the house, I am interested in seeing the legislation proceed as rapidly and conveniently as possible, and rather than postpone this measure until next week, when another substantial revision is to come before us, I think we should proceed tomorrow, when the senator from Toronto-Trinity can conclude his remarks. If it is desired that my honourable friend continue at this time, that would be quite acceptable to me. But I think we should proceed with the discussion tomorrow, and Friday if necessary, in order to get the bill into committee as rapidly as possible. Certainly I am not urging that it be dealt with until copies are in the hands of every honourable senator.

Hon. Mr. Haig: Honourable members, I want to support His Honour the Speaker in the stand he takes. The house consented, upon the understanding mentioned, to proceed with debate on the second reading, and that consent will stand until the motion for second reading has been put. Like the honourable government leader (Hon. Mr. Robertson) I am not only willing but delighted that everybody shall have an opportunity to be heard. Of course, as my honourable friend from Bedford (Hon. Mr. Nicol) was not here yesterday, he had no opportunity of knowing the facts.

Hon. Mr. Nicol: I did not ask to be heard. I asked to have a copy of the bill. Without it, should we be expected to agree to second reading?

Hon. Mr. Haig: Unfortunately, my honourable friend was not here. Had he been here he could have objected, but in this house one cannot object *in absentia*. I support the stand of the honourable the Speaker. My understanding is that the consent ran to the second reading, but that after second reading copies of the bill must be in our hands or a new consent will be required.

Hon. T. A. Crerar: Honourable senators, it seems to me that the suggestion of our colleague from Bedford (Hon. Mr. Nicol) is a very reasonable one. We went ahead yesterday with the consideration of second reading for a special reason, namely, that we were told that the Minister of Justice, whom it was desired—quite rightly—should come before us to explain the measure, would not be able to attend later this week. We therefore waived the ordinary requirement that when second reading of a bill is moved copies of the bill should be before us. But I do not think that that agreement was intended to continue indefinitely.

I confess I do not know very much about the Code. I listened yesterday to a very interesting exposition of the legislation. Apparently there is attached to it a memorandum in which the commission entrusted with the revision explains its reasons for the proposals. I think we should have at least some opportunity of looking over that document and the text of the bill before we get into a general discussion. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) will, I have no doubt, make a very useful contribution to the debate. Others also may do so. As far as I am concerned I am in complete ignorance, except in a very general way, of what we are talking about; and I would suggest that this discussion be held over until we have had an opportunity of familiarizing ourselves with the bill and the memorandum that accompanies it.

Hon. Mr. Roebuck: As I understand it, the stand—an entirely reasonable one—taken by the honourable senator from Bedford (Hon. Mr. Nicol) is that he is not in a position to even hear a debate until the bill is before him; and in view of what has been said by the honourable member for Churchill (Hon. Mr. Crerar) and by the leader, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

PRINTING OF COMMISSION'S REPORT

Hon. Mr. Robertson: Honourable senators, as I said before, I have no desire to have the discussion on second reading curtailed or to have it carried on without the fullest facilities. What I said about the availabilty of copies of the bill tomorrow is in accordance with my best information. If copies are not ready by then, I shall have to act accordingly.

One point has been brought to my attention by the Assistant Clerk. What I said referred to the bill itself. I am advised that no more copies of the report of the Commission are obtainable. Consequently, with leave of the Senate, I move that the Commission's report be printed as an appendix to our *Official Report of Debates*, so that it will be available to anyone who would like to see it.

Hon. Mr. Davis: I assume that the motion of the honourable member from Toronto-Trinity (Hon. Mr. Roebuck) to adjourn the debate will protect him in his right to speak again.

Hon. Mr. Robertson: Yes.

Hon. Mr. Crerar: He adjourned the debate.

The motion of Hon. Mr. Robertson was agreed to.

CANADA DAIRY PRODUCTS BILL

SECOND READING

The Senate resumed from Monday, May 12, the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the Canada Dairy Products Act.

Hon. Wishart McL. Robertson: Honourable senators, on several occasions I have moved the adjournment of this very interesting debate, chiefly for the reason that, aside from any opinions of my own, it is my duty to reflect as far as possible the views of my colleagues in the government. The question raised is an important one, because it involves legislation which I introduced in the first session of last year.

I communicated to my colleagues the interest which has been aroused in this matter, and took occasion to emphasize my feeling of inability to deal with the great variety of questions raised both as to matters of policy and to legal aspects, as fully and satisfactorily as the house might reasonably expect. This handicap is not a new one so far as I am concerned, and I do not doubt that it will be evidenced from time to time in future. Although at times I have called upon some

of my very able colleagues to explain legislation to this house, I remember saying during the debate on a resolution of mine respecting the Senate, that it amazed me that a group of 102 legislators of the eminence of the members of this body had so long suffered a situation to continue wherein they got only as much official information as was available from one poor lone individual, why a house of over one hundred legislators should be willing to depend on a system whereby all information is conveyed to it by one individual—in contrast with the other place, where there are twenty ministers and twelve parliamentary secretaries—is beyond my comprehension.

However, I did not institute the system; it was here long before I came to this chamber. Consequently I should like to see the Minister of Agriculture and the law officers of the Crown in a position to take part in this serious discussion. Therefore, speaking as a member of the government, I shall not oppose the second reading of the bill, but I must of necessity, of course, reserve the right to reflect whatever may be the viewpoint the government takes after the matter has been considered in committee.

Hon. Norman P. Lambert: Honourable senators, I have nothing to say about the point raised by the honourable leader (Hon. Mr. Robertson), but I do want to express my position with reference to this amendment before second reading is given to the bill. I have no alternative but to support the proposed amendment. I was one of those who opposed the Canada Dairy Products Bill when it was before the house last year, and I was also one of the few who remained to vote against it.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Lambert: If I remember correctly, it was a Saturday morning; but I can say with some comfort that the honourable senator from Waterloo (Hon. Mr. Euler) was also here to vote against the measure. The point is that the bill did not reach the Senate until the last days of the session. Before coming to us it had received scant attention in the other place, the discussion there being represented by only a page and a half in *Hansard*. In other words, in the rush to finish the session last year, the Canada Dairy Products Bill received practically no attention from parliament. It is largely because of this fact that I want to express my position today as being favourable to having the Canada Dairy Products Act amended so as to permit the freest sort of trade relations amongst our provinces.

There is one point that occurs to me now which could not be applied last year. Unfortunate and dire circumstances in connection with the livestock industry in Western Canada have led to the placing of embargoes by the provinces, one against the other, in the matter of the shipment of beef cattle outside of certain areas. I realize that these embargoes result from an emergency arising out of health conditions; but I strongly submit that the conflict of the principle in connection with these circumstances and the principle underlying the Canada Dairy Industry Bill of last year is very plain indeed. As was explained by the Minister of Agriculture, in the present circumstances several provinces have set up embargoes—which are not considered to be in the best interests of the dominion as a whole—against the entry of a certain product of another province. As a result of representations made by the minister, the embargo into British Columbia was modified and, I think, removed for a time. The point is that whereas a year ago it was considered to be in the interests of the federal structure to have the right to prohibit the interchange of trade in dairy products, it is today not considered to be in the interests of the provinces that they have that freedom. It is simply because the provinces are acting on their own and not through any invocation of a federal law. I submit that the position suggests a certain conflict in principle which brings out a claim that has been soundly made, namely, that where the interchange of commerce from one part of Canada to another is concerned, the federal measuring rod should prevail, and the authority should lie there. Honourable senators, because I am in agreement with all that has been said against the isolationist point of view that has been developing in Canada at a time when we are trying to promote to the utmost a spirit of international co-operation in trade, I cannot do otherwise than re-emphasize the position I took a year ago, and support this amendment.

Some Hon. Senators: Hear, hear.

Hon. J. H. King: Honourable senators, I shall not delay you long. When the Canada Dairy Products Bill was before the house last year I took the strongest exception to to section 6 of that bill. At this time I merely want to reiterate what I said on that occasion. I feel that the principle involved is most vicious. The government did not enact prohibition, but they took steps so that from time to time, by order in council, they might interfere with the natural flow of trade in natural products in Canada. That is a most dangerous principle and one that will become,

if it remains on the statute books, very embarrassing to this and any succeeding government. If a certain group interested in a particular product in this country can secure legislation of this kind, there is no end to the prohibitions that may be sought by various people in this country. As I have said, it is a very dangerous and a very wrong principle.

The senator from Ottawa (Hon. Mr. Lambert) has referred to the recent prohibition by some provinces of the importation within their boundaries of cattle from disease-infected areas in the West. I think that he will find in the Quarantine Act provisions applying to situations of this kind. We know that an individual who has contracted an infectious disease can be and is quarantined, and is not allowed to travel on our trains or vessels. I think that under that law an embargo may be placed on the movement of animals that might carry disease from one part of the country to another.

As one who has had some experience and been in parliament a long while, I wish to express again very clearly the opinion that unless there is a repeal of that part of last year's Act which empowers the government to prohibit by Order in Council the flow of natural products within Canada, it will really strike at the roots of confederation. Therefore I think that part of the Act should be repealed.

Hon. John T. Haig: Honourable senators, up until today I did not intend to take any part in this debate. I am ashamed for not having been here a year ago when the vote was taken on the Canada Dairy Products Bill. I waited and waited for the bill to come over from another place, but it did not reach here until the last days of the session, and before it came to a vote I had left for home. I had had accommodation on the train reserved for some time, and if I had not used it then I should have had to wait over here several days longer in order to get another reservation. Of course, I really did not think that the bill would pass, but apparently a thing of this kind does get through once in a while.

I listened with a good deal of interest to the senator from Kennebec (Hon. Mr. Vaillancourt). He does not want any interference with conditions in his province. I also listened with much interest to the senator from Prince (Hon. Mr. Barbour), and I believe I understand the difficulty that faces him. One can have some light thrown on what is in the minds of these honourable gentlemen by looking back at their actions on former occasions. Apparently they both have some fear that if the present section 6 of the Canada Dairy Products Act is repealed oleomargarine will be shipped into the provinces of Quebec and Prince Edward Island and affect the dairy industry in those provinces.

Now, I am not boasting—for if I were to boast about this the people of Winnipeg would murder me—but the fact is that I have never voted in favour of oleomargarine. I spoke on the matter only once, and at that time I spoke in favour of it. But oleomargarine is not the issue here at all. Canada is a country of ten provinces. It is a great country, and we are very proud of it. The whole ten provinces are required to make up the country. I know that the people from my part of Canada—Manitoba, Saskatchewan, Alberta and British Columbia—are just as anxious that Prince Edward Island, Quebec, Ontario, New Brunswick, Nova Scotia and Newfoundland should prosper as that the western provinces themselves should do so. And we in the West do not believe that Canada can prosper as it should unless there is the maximum freedom of trade between every part of the country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: In my part of the country we do not stand for any barriers between different provinces. I may say to the senator from Kootenay-East (Hon. Mr. King) that we all regret that British Columbia, Manitoba and Quebec have recently had to place an embargo against cattle from certain parts of the West. But to realize how serious it is for us in Manitoba you only have to remember that less than 200 miles away from where I live is an area where cattle are afflicted with a disease that spreads very easily. Normally cattle from those parts are shipped into our stockyards by the hundreds, and if the diseased animals were allowed to enter they would place our province in very great danger. As the senator from Kootenay-East properly said, quarantine regulations are at times essential. Suppose an epidemic of smallpox broke out in the city of Winnipeg. Would you want me to come down here to Ottawa or Toronto at that time? No. You would tell me and all other people of Winnipeg that we should stay home until the epidemic was over. If there was an outbreak in Toronto, I would be the first one to vote to prohibit people travelling from Toronto to Manitoba.

This is a business matter. Undoubtedly the Fathers of Confederation intended that every part of Canada should trade freely with every other part. I have on my feet a pair of shoes that were made in the province of Quebec. Now, we have shoe factories in Winnipeg. If the principle of the Dairy Products

Act were to be generally applied, the people of Manitoba could demand an embargo on the importation of shoes into their province from Quebec or New Brunswick or any other province. That is what this Act means. And that kind of thing can be done by any province if it has a sufficient number of members in the other house to force the matter. You may say to me that in the next parliament Manitoba will have only fourteen members in the House of Commons and they could not exercise much influence. But I have been in the Senate when the House of Commons was controlled by less than fourteen members.

Hon. Mr. King: Three.

Hon. Mr. Haig: Maybe three, yes. So it can be done. It would be quite possible for a government in power, needing some votes for a certain thing, to say to the representatives from Manitoba: "If you will deliver us your votes on this question we will see that you can get through a bill to prohibit the importation into Manitoba of shoes from any other province, and that will be a good thing for your factories."

Now, I do not pretend to be a very able lawyer, but I believe that under section 121 of the British North America Act the government could prohibit importation into any province from another province of any of the products mentioned in the Dairy Products Act. Eminent lawyers here—such as my friends from Toronto (Hon. Mr. Hayden), Toronto-Trinity (Hon. Mr. Roebuck), Vancouver-South (Hon. Mr. Farris), Inkerman (Hon. Mr. Hugessen), and De Lorimier (Hon. Mr. Vien)—may say that I am wrong on this, but I really believe that the Dairy Products Act is constitutional. However, that is not the issue at all.

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Haig: The issue is whether we want to maintain freedom of trade between the provinces. We here as senators represent, we think—and I trust that we do represent—the best thought in Canada. We should put the best interests of Canada before anything else, and should be determined that every part of the country shall have an equal opportunity to trade with every other part of the country. For that reason I intend to vote for the bill before us, for on that ground I do not believe that the present Dairy Products Act can be defended. I can understand how political considerations might influence honourable members of another place to do certain things, but the Senate has no right to exist if we allow political considerations to influence our vote.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: We would serve no purpose at all if we were influenced by political considerations, or were simply a rubber stamp for another place. I am not suggesting that anyone here has ever acted as a rubber stamp or that the Senate itself has ever done so. My search of the records shows me that the Senate has made the strongest resistance to government legislation when the majority in the Senate has been of the same political stripe as the party in power. Just consider what this house did with the Crowsnest Pass Bill. The Senate's action on that measure was one of the best things it ever did.

For the reasons stated I intend to vote for the second reading of the bill. If the leader (Hon. Mr. Robertson) wishes to refer it to a committee, I shall have no objection whatever to that. If he moves for reference to a committee, I shall vote for the motion, for I am one of those who believe that if your cause is right no publicity can harm it; that, on the contrary, the more publicity it gets the better your cause will stand out. And so convinced am I of the justice of this bill that I have no fear of what will happen to it in committee.

Hon. Salter A. Hayden: Honourable senators, the seriousness of this situation in dealing with this type of legislation that we are now trying to get at through the consideration of this bill lies, so far as I am concerned, only in the fact that I must reach the conclusion that the federal authority has the constitutional right to enact such legislation, which involves prohibition in the field of inter-provincial trade. I am not predicting what may happen in the future should this question be referred to the Supreme Court of Canada—now our court of final resort—but under the law as it now stands, we have a decision of that court, written by some very able jurists, which holds in respect of section 121 of the British North America Act that the use of the word "free" in its relation to the movement of trade between provinces means free of customs duties, and that the broad meaning, which you and I might envisage and use, is limited by judicial interpretation. Beyond that, there is a subsequent decision of the Privy Council which in the reasons for judgment acknowledges the correctness of the decision of the Supreme Court of Canada in the previous case. But I repeat that as far as I am concerned the seriousness of the situation is emphasized and underlined by the fact that the federal authority possesses such power of prohibition, and frankly, I do not believe in prohibition of any kind.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hayden: I think that when prohibitions come into force there should be some basic reason for them which relates to the safety, health or welfare of the nation as a whole. I do not think that prohibitions should operate on any basis of relationship as between one province and another. For instance, because a commodity is produced in two provinces, one of which has a greater capacity than the other and might swamp its product, is no justification for prohibiting the movement of that commodity, whatever it may be, from the province of larger capacity to the province with perhaps a smaller market. The motive for prohibition should, in my opinion, be national in its scope. I think the application of a prohibition should extend to the food and drug law, and relate to the health of the people of Canada as a whole.

In the consideration of this measure I am not looking at the particular prohibition decreed by the Canada Dairy Products Act, but rather at the principle involved in its application today to substitutes for dairy products; tomorrow legislation may be presented which affects boots and shoes. It is possible that at some time the federal authority might be used for the purpose of adjusting prices up or down and controlling the flow of commodities at the will of the majority who then happen to be in the Parliament of Canada.

I think the Senate should attempt to define some principle to be followed in applying prohibitions with respect to interprovincial relations. The principle would be sound if it were based on the factors which I have mentioned, and did not apply to named products or articles of trade. As the senator from Vancouver South (Hon. Mr. Farris) has said, although such a prohibition as we are now considering may not be contrary to the British North America Act as thus far interpreted in the courts, it is certainly contrary to the thoughts that were in the minds of the Fathers of Confederation, and against the objects they had in view in bringing these individual units into a federal union.

It is for this reason that I think we should emphasize our position at this time, and point out that a prohibition in relation to interprovincial trade is not sound in principle when the government purports to exercise an undoubted authority which it possesses, and that a definite principle should prescribe that prohibitions will only be used in the national interest as a whole.

Some Hon. Senators: Hear, hear.

Hon. A. L. Beaubien: Honourable senators, it is not my intention to speak at any great length.

The trend of the debate today—especially the remarks of my friend from Toronto (Hon. Mr. Hayden)—has satisfied me that the federal parliament has a right to avail itself of such legislation as the Canada Dairy Products Act.

Hon. Mr. Golding: Hear, hear.

Hon. Mr. Beaubien: The bill upon which that Act was based came before this house in the dying days of the last session. I took the stand then that the leader himself was not in a position to give the measure the explanation it deserved, because he did not have time to gather the material and the debate in the other house had been very short. At that time I asked my honourable friend from Waterloo (Hon. Mr. Euler) to extend his generosity and allow the bill to go before a committee where both sides of the question could be discussed, and then on the motion for third reading the house, if it wished, could vote down the bill.

My understanding is that a vote for second reading is a vote for the approval of the principle of a measure. I have no objection to approving of the principle of my friend's bill, but I certainly want to find out from the minister and the officials of the department why the Act has not been proclaimed. Do they want it continued on the statute books, or should it be amended to remove its many objectionable features which have been pointed in the current debate in this house? In my opinion the measure before us should be referred to the Standing Committee on Banking and Commerce. That committee is composed. of fifty members—a large percentage of the senators today—and it could thoroughly scrutinize the measure.

Some honourable senators have claimed that the measure passed last session was considered in their absence. Well, that is not my fault. I was here last session, as I am every session, almost to the last day. My friends are resorting to a feeble excuse.

I am going to ask that this bill be considered in the Banking and Commerce Committee, for following a thorough discussion there we can vote more intelligently on the motion for third reading.

Hon. Mr. Crerar: May I ask my friend who has just spoken what help he imagines we could get from the officials of the department as to whether or not we should pass the bill now before us? The real issue here is a vital point of principle and of policy. I suggest that it might be a bit unfair to ask the officials of any department to come and express their views on a question of principle that involves a matter of government policy.

Hon. Mr. Beaubien: The question of the honourable senator can be answered very easily. I stated plainly that the Act passed last session had not yet been proclaimed, and I wanted to find out why. My friend cannot give me the reason for it. When I was a member of the other house—and my friend was there too—I sometimes voted for second reading of a bill with the understanding that it would be referred to a committee, where we could get information that was not otherwise available to us.

Hon. Mr. Hardy: May I ask the honourable senator, if the bill should go to committee, what kind of official could be asked to tell us what we should do in this matter?

Hon. Mr. Beaubien: Surely, the Minister of Agriculture.

Hon. Mr. Hardy: This is not an agricultural bill. We are not raising an agricultural issue; we are debating a general constitutional question, one of comity between the provinces. Unless we invite the judges of the Supreme Court to come and give us their advice—and I do not think they would care to do so—who can tell us? Whom should we ask?

Hon. Mr. Beaubien: The answer to my honourable friend's question is very simple. The act it is proposed to amend is being administered by the Department of Agriculture because it is a dairy act. Surely the responsibility for the administration of such a statute could not be in better hands than those of the Ministry of Agriculture.

Hon. Mr. Hardy: Then why not refer it to the Committee on Agriculture?

Hon. J. Gray Turgeon: I had not the faintest intention of saying anything at this time until I heard the discussion which arose in the last five minutes. Therefore I am not going to express my viewpoint on this bill, and my remarks will be very brief.

I agree with the honourable government leader (Hon. Mr. Robertson) that the bill sponsored by the honourable senator from Waterloo (Hon. Mr. Euler) should be sent to a committee. In principle I am wholly opposed to the clause in the Dairy Act which it is the purpose of this bill to eliminate. When the Dairy Act was before us last year I stated that I was opposed to this section, but I suggested that, instead of voting a six month's hoist of the whole bill, it should go to committee and be considered there. The bill was passed, but, as the honourable senator from Winnipeg (Hon. Mr. Haig) has stated, the enactment objected to has never been proclaimed. Since the passage of the bill the financial position of a large portion of our farming population has greatly deteriorated. This is particularly true of the dairy farmers. While a study by a committee cannot have much to do with the basic and essential principle of the bill, it would help us to answer the question whether the action now recommended, if put into effect at this time, would cause economic injury to the large section of Canada's population that is engaged in dairying. At the same time, I am dead against the principle of interference in interprovincial trade. I am inclined to agree with the honourable leader of the opposition (Hon. Mr. Haig) that constitutionally parliament has the full legal right to permit such interference; and if I were compelled to vote purely on that basis, without any consideration by a committee, I would have to vote against the bill regardless of the fact that in principle I am 100 per cent behind the purpose of the measure and of those who are supporting it. I hope this bill will go to committee so that we may find out, among other things, what if any economic damage it might inflict upon the dairy farmers of the provinces of Prince Edward Island and Quebec.

The Hon. the Speaker: The mover may speak if he wishes, in which event he will close the debate.

Hon. Mr. Euler: Honourable senators, I have very little to say. I congratulate those who have spoken, almost all of them in support of the bill which I introduced. I cannot bring up any new matter, but I should like to re-emphasize the point that my main argument was not based on the constitutionality or otherwise of the bill, but was directed entirely against the principle of interference with interprovincial trade—a matter which cannot, I think, be very usefully debated in any committee.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Euler: The bill could not be simpler. Its purpose is merely to provide that the federal government cannot make any law interfering with interprovincial trade —and not merely trade in dairy products. I would draw to the attention of my honourable friend the leader of the opposition (Hon. Mr. Haig) that I have never even mentioned the word "margarine". The issue is a much bigger one than that. It is a matter of principle.

I doubt very much whether anybody, certainly any official, can usefully come before the committee to help it decide on a policy which involves principle. The minister might like to come and make representations. To that we could make no great objection. I know that after second reading it is customary to refer bills to a committee.

My honourable friend from Provencher (Hon. Mr. Beaubien) said he would like to

know why the Dairy Products Act has not been proclaimed. I suggest, as I did when I spoke before, that last year practically no consideration was given in the Commons to that bill. I should like to be sure that the present bill will be carefully considered in the other place, where the Minister of Agriculture could explain his reasons for promoting the Act and for not having implemented by order in council the powers it conferred upon him. It seems to me that he could very well do so in the other house.

I cannot very well object to the reference of this bill to committee. I would think it would be just about as simple to approve it there as to approve of it here.

Hon. Mr. Lambert: I would like to bring this point of order to the attention of the house. I think the procedure should be to vote on the second reading of this bill, and then, if there is to be any debate or discussion about referring it to committee, it would naturally come up under second motion.

The Hon. the Speaker: The question, honourable senators, is on the motion for second reading of this bill. Is it your pleasure to adopt the motion?

Some Hon. Senators: On division.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: In view of the remarks of the honourable senator from Waterloo (Hon. Mr. Euler) I hope that he will move the reference of the bill to committee. I will certainly do so if he does not.

Hon. Mr. Euler: You do it.

Hon. Mr. Robertson: I move that this bill be referred to the Standing Committee on Banking and Commerce. Last year, when the Canada Dairy Products Bill was before us, it was referred to the Committee on Natural Resources. As my honourable friend has said, the present bill does not apply to one particular commodity; a bigger principle is involved, and an important one.

Someone has asked what information we may expect from an official. What I had in mind was the attendance, not of officials, but of some of my colleagues in the government. May I say also that while I should like the Minister of Agriculture to appear before our committee, it is up to the committee itself to decide who shall appear before it. I ascertained that the Minister of Agriculture was going to be absent from Ottawa at the end of the week, and as I was most anxious that he should appear before our committee, I asked him when he might be available. He replied that he could be with us this afternoon, tomorrow, or on Friday. I also took the precaution of calling a meeting of the Banking and Commerce Committee when the Senate rises this afternoon. Of course, it is up to the Banking and Commerce Committee to decide when it shall meet, but if it wants to carry on this afternoon the minister has said that he would be available.

I therefore move that this bill be referred to the Standing Committee on Banking and Commerce.

The Hon. the Speaker: Honourable senators, the question is on the motion of Honourable Senator Robertson, seconded by the Honourable Senator Hugessen, that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Crerar: Before the motion is put—

The Hon. the Speaker: The motion has been put, but with leave of the Senate, the honourable senator may proceed.

Hon. Mr. Robertson: I have no objection.

Hon. Mr. Crerar: Well, I may say that I have no objection to this bill going to the Committee on Banking and Commerce, but I do object to the calling of any departmental officials to give evidence before the committee. The question here is one of principle and I think it is necessary, as the leader (Hon. Mr. Robertson) has so well said, to have the minister who sponsored the original bill, or some other member of the government, explain why, as a matter of government policy, it is proposed to raise these barriers to interprovincial trade.

Hon. Mr. Ross: It should be the Minister of Trade and Commerce.

Hon. Mr. Robertson: The committee can decide.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

REPORT OF

ROYAL COMMISSION ON

REVISION OF CRIMINAL CODE

OTTAWA,
February 22, 1952.

To: The Honourable STUART S. GARSON, Q.C.
Minister of Justice,
Ottawa.

Your Commissioners, pursuant to their instructions, have the honour to submit the annexed draft Bill to revise the Criminal Code which has been prepared by them under the terms of reference appointing them, as contained in Order in Council P.C. 2275 of the 10th day of May, 1951.

An examination and study of the Criminal Code was authorized by Order in Council P.C. 527 of the 3rd day of February, 1949. This task was assigned to a Commission consisting of Hon. W. M. Martin, Chief Justice of Saskatchewan, Chairman; Mr. Justice Fauteux and Mr. F. P. Varcoe, Q.C., Deputy Minister of Justice, with Mr. Arthur Slaght, Q.C., Toronto, as Counsel. The Commission was to have the assistance of a Committee comprised of Mr. Robert Forsyth, K.C., (now Judge Forsyth), Toronto, Mr. Fernand Choquette, K.C., (now Mr. Justice Choquette), Quebec, H. J. Wilson, Q.C., Deputy Attorney General of Alberta, Edmonton, Mr. J. J. Robinette, Q.C., Toronto, and Mr. Joseph Sedgwick, Q.C., Toronto. The personnel of the Committee was subsequently increased and Mr. W. C. Dunlop, Q.C., Halifax, Mr. H. P. Carter, Q.C., St John's Newfoundland, and Mr T. D. MacDonald, Q.C., Ottawa, became members of the Committee. As some members of the Commission and the Committee found that judicial duties and other commitments made it impossible to devote the time necessary to the revision and as the work had progressed to a stage where it could be carried on by a smaller committee, the Committee was reorganized by Order in Council P.C. 68/4633 of the 26th day of September, 1950. On the 10th day of May, 1951, as above stated, by Order in Council P.C. 2275, the present Commission consisting of Hon. W. M. Martin, Chief Justice of Saskatchewan, Chairman; Hon. Mr. Justice Fernand Choquette, Quebec, His Honour Judge Robert Forsyth, Toronto, Mr. H. J. Wilson, Q.C., Edmonton, Mr. Joseph Sedgwick, Q.C., Toronto, and Mr. A. A. Moffat, Q.C., Ottawa, was appointed and authorized and directed to prepare a draft Bill to revise the present Criminal Code.

The terms of reference were as follows:

(*a*) revise ambiguous and unclear provisions;
(*b*) adopt uniform language throughout;
(*c*) eliminate inconsistencies, legal anomalies or defects;
(*d*) rearrange provisions and Parts;
(*e*) seek to simplify by omitting and combining provisions;
(*f*) with the approval of the Statute Revision Commission, omit provisions which should be transferred to other statutes;

(*g*) endeavour to make the Code exhaustive of the criminal law; and

(*h*) effect such procedural amendments as are deemed necessary for the speedy and fair enforcement of the criminal law.

The Committee appointed by Order in Council in February 1949, and reorganized by Order in Council of the 26th day of September, 1950, held, in all, twelve meetings, each one occupying a period of about one week. Prior to the reorganization of the Committee in September 1950, the Committee worked in close co-operation with the Commission in making a general survey of the Code and in laying the groundwork for the present draft Bill. Your Commissioners have found the preliminary work done during this period of great value and many of the decisions taken at that time have been incorporated in the draft Bill. Your Commissioners feel that they would be remiss if they did not express their appreciation of the very valuable work done by those who, through judicial duties and other commitments, found that they could not continue with the work of revision. They therefore take this opportunity to express their sincere appreciation to

Hon. Mr. Justice Fauteux,
Mr. F. P. Varcoe, Q.C.,
Mr. J. J. Robinette, Q.C.,
Mr. W. C. Dunlop, Q.C.,
Mr. H. P. Carter, Q.C., and
Mr. T. D. MacDonald, Q.C.,

for the very valuable contribution which they made toward the work of revision.

The Commission appointed by Order in Council of the 10th day of May, 1951, has held four meetings, one in each of the months of June, September, October and November, each meeting extending over a period of about one week.

The Committee and the Commission have been of the opinion that the views of the provincial authorities should be obtained in connection with certain matters, particularly with respect to procedure. For this reason the provincial authorities have from time to time been communicated with and meetings were held with their representatives at Calgary in the month of August, 1949, prior to the annual meeting of the Canadian Bar Association, and in September, 1951, in the City of Toronto at the time of the meeting of the Criminal Law Section of the Conference of Commissioners on Uniformity of Legislation in Canada. The latter meeting was arranged to obtain the views of the provincial representatives with respect to a proposed revision of Parts XV, XVI, XVIII and XXI of the Code. Certain changes in procedure were suggested in order to give effect to the following purposes:

(*a*) to simplify the summary trial procedure and to expedite the disposition of cases;

(*b*) to attain greater uniformity in the procedure relating to summary trials of offences, whether punishable by indictment or on summary conviction;

(*c*) to provide uniform procedure with respect to the forfeiture of bail.

It is a matter of satisfaction to be able to report that there was general approval by the provincial representatives of the suggested changes in procedure.

Extent to Which Revised Code is Exhaustive of the Criminal Law

Under the terms of reference the Commission is directed to endeavour to make the Code exhaustive of the criminal law. Sections 10, 11 and 12 of the present Code make the criminal law of England applicable in the Provinces of

Ontario, British Columbia and Manitoba, as it existed on the 17th day of September, 1792, the 19th day of November, 1858, and the 15th day of July, 1870, respectively, in so far as it has not been repealed by any Act having the force of law in the respective provinces or by the Criminal Code or any other Act of the Parliament of Canada. There are no similar provisions in the Code with respect to any of the other provinces. As to the Province of Quebec, there can be no doubt that from the date of the Quebec Act, 1774, the English criminal law has been in force except as altered, varied or modified by competent authority. As to the Maritime Provinces there are no statutes, Imperial or Canadian, which expressly deal with the introduction of the criminal law of England, but that law is considered as having been adopted in so far as it is applicable to local conditions. Vide: Tremeear, 5th Ed., p. 44, and cases there cited. As to Alberta and Saskatchewan, the Northwest Territories Act, 1886, c. 50, as amended by C. 28 of 1897, s. 4, provided that the laws of England relating to civil and criminal matters as they existed on July 15th, 1870, shall be in force in the Territories in so far as they are applicable, and in so far as they have not been altered, varied or modified by any Act of the Parliament of the United Kingdom applicable to the Territories or of the Parliament of Canada, or by any Ordinance of the Lieutenant-Governor in Council or of the Legislative Assembly. When the Provinces of Alberta and Saskatchewan were formed in 1905 it was provided by both the Alberta and Saskatchewan Acts that all laws existing before the coming into force of those Acts should continue in the new provinces in so far as they were not inconsistent with the Acts or where the Acts contained no provision intended as a substitute for them. In the Province of Newfoundland, broadly speaking, the law of England as to crime and offences in so far as it could be applied was in force when the province entered Confederation in 1949. The Criminal Code, however, was proclaimed in force in Newfoundland on August 1, 1950.

Your Commissioners are of the opinion that the Code should be exhaustive in so far as criminal offences are concerned, but that the criminal law of England, as presently in force, should be continued in respect of all other matters. In order to give effect to this opinion, clauses 7 and 8 have been placed in the draft Bill. These clauses are as follows:

> "7. (1) The criminal law of England that was in force in a province immediately before the coming into force of this Act continues in force in the province except as altered, varied, modified or affected by this Act or any other Act of the Parliament of Canada.
>
> (2) Every rule and principle of the common law that renders any circumstance a justification or excuse for an act or a defence to a charge continues in force and applies in respect of proceedings for an offence under this Act or any other Act of the Parliament of Canada, except insofar as they are altered by or are inconsistent with this Act or any other Act of the Parliament of Canada.
>
> 8. Notwithstanding anything in this Act or any other Act, no person shall be convicted
>
> (*a*) of an offence at common law,
>
> (*b*) of an offence under an Act of the Parliament of England, or of Great Britain, or of the United Kingdom of Great Britain and Ireland, or

NOTE: Where the reference is to a provision of the present Code, the word "section" is used. Where the reference is to a provision of the draft Bill, the word "clause" is used.

(c) of an offence under an Act or Ordinance in force in any province, territory or place before that province, territory or place became a province of Canada,

but nothing in this section affects the power, jurisdiction or authority that a court, judge, justice or magistrate had, immediately before the coming into force of this Act, to impose punishment for contempt of court."

Under these provisions the criminal law of England in so far as it relates to procedure in criminal matters, common law defences and the powers of a court to punish for contempt of court are preserved.

Your Commissioners recognize that the original Code was not intended to be a complete Code and that common law offences were still retained. However, we have come to the conclusion that by incorporating in the draft Bill all of the common law offences in respect of which charges are currently laid, all offences which should be adopted from the common law are included. The offences which have been incorporated are common law conspiracy (clause 408(d), public mischief (clause 120), indemnification of bail (clause 119(2)(d)) and compounding a felony (clause 121). A specific punishment applies in respect of each offence. Certain common law offences are, in the opinion of your Commissioners, obsolete and archaic and are not retained, e.g., champerty and maintenance, barratry, refusing to serve in office and being a common scold.

Rearrangement and Consolidation

The Criminal Code was first enacted in 1892 and was founded largely upon the draft Code prepared in 1878 by the Commissioners appointed by the Imperial Government for the purpose of drafting a Code of the English criminal law, and also upon Stephen's Digest of the criminal law. Since that time amendments and additions have been made at nearly every Session of Parliament. Some of the amendments and additions have not been placed in appropriate portions of the Code. Your Commissioners have consolidated and rearranged sections which deal with the same subject matter and have thus facilitated reference.

Having regard to the Appendices to this Report and the study which will be given to the draft Bill, your Commissioners do not consider it necessary to set out in detail the rearrangement and consolidation that has been made. However, as an indication of the manner in which this work has been done, a number of examples are given.

Rearrangement

The present Code allocates provisions under divisions based on subject matter. One result of this is, for instance, that rules of evidence whether of general application or related to a particular offence are gathered together under the heading of "evidence" in Part XIX. This arrangement is inconvenient because it necessitates not only reference to the provision creating the offence but also reference to Part XIX for the purpose of ascertaining whether or not there is a special rule of evidence relating to the particular offence. For example, section 394 of the Code deals with offences in respect of lumber and lumbering equipment. Section 990 provides that where the material which is the subject of a prosecution under section 394 bears a registered mark, this constitutes prima facie evidence that the material which is the subject of the charge belongs to the registered owner of the mark.

In the draft Bill, provisions which are of general application are continued in a Part that is of general application, while provisions which relate to a specific offence have been put with the section creating the offence. In as much

as section 990 is limited to an offence under section 394, it has been carried into clause 285 so that the special provision relating to offences under this section may be readily ascertained.

Other examples are cases in which corroboration is required or where there is a limitation of time for the commencement of a prosecution. In such cases the requirement of corroboration or the limitation of time is placed with the clause that creates the offence. In the case of forgery, the provision in section 1002 requiring corroboration is incorporated as subsection (2) of clause 310.

Consolidation

The work of consolidation is designed to do away with duplication and needless repetition, and provisions are drafted in a form that, where possible, eliminates particularization and reduces to a minimum the need for amendment. For example, the present Code contains provisions dealing with false entries in books of account. Section 413 makes it an offence for an officer of a corporation to make false entries. Section 414 makes it an offence for a clerk or servant to falsify books of account, etc. Section 418 makes it an offence to falsify books of account to defraud creditors. Sections 484 and 485 make it an offence to make false entries in books of account of a government or of a bank. In all these instances the gravamen of the offence is that it is done with an intent to defraud. In the consolidation of these provisions (clause 340) particularization is eliminated and it is made an offence *with intent to defraud* to falsify books of account, etc.

Another instance of consolidation to which attention is directed and which is intended to meet existing and future conditions, is to be found in Part X which deals with counterfeiting. The object of this Part is the protection of the currency. By a comprehensive definition of currency and the consolidation of provisions which dealt separately with the various kinds of coin and with paper money, a simple and complete code relating to this subject has been evolved.

Consolidation has also been carried out in matters of procedure. One instance of this is the creation of a separate Part (Part XIX) dealing with the calling of witnesses and the taking of evidence on commission. At present these matters are dealt with in the several procedural Parts. This has resulted in the enactment of a great number of provisions, each group designed to cover the subject for the purposes of the proceedings dealt with by the Part in which they appear.

Your Commissioners have therefore consolidated in one Part (Part XIX) all provisions relating to compelling the attendance of witnesses and the taking of evidence on commission.

It has been found that many sections of the Code relating to particular offences may be omitted because the offences are capable of being dealt with in one general provision. For example, sections 358-388 create many separate offences for different kinds of theft. These sections are dropped and only one offence of theft is created for which appropriate punishment is provided. It is pointed out that this is in conformity with the policy of Parliament as a similar step was recently taken in respect of the offence of forgery.

Unnecessary Provisions.

Certain provisions are not retained because the same subject matter is dealt with in other Statutes of Canada. The following are examples:

Sec. 222A which deals with manufacture, importation and sale of living bacteria, is now dealt with by the Pest Control Products Act, R.S.C., 1927, c. 5, as amended by 1939, c. 21.

Sec. 224 which makes it an offence for a person to expose for sale articles which he knows are unfit for human food, is now adequately covered by the Food and Drugs Act, R.S.C., 1927, c. 76, as amended by 1946, c. 23, s. 2.

Sec. 504A dealing with moneylenders is also covered by provisions of the Small Loans Act, S.C., 1939, c. 23.

Sec. 506 dealing with offences in respect of copyrights is unnecessary in view of similar provisions in the Copyright Act, R.S.C., 1927, c. 32.

For the same reason we are of the opinion that the subject matter of clauses 411 and 412 (sections 498 and 498A) should be dealt with in the Combines Investigation Act. We do not feel free to omit these provisions from the draft Bill because we are informed that a Committee has been appointed by the Minister of Justice to study combines investigation legislation.

In our opinion sections 1143-1148 inclusive of the Code relate to matters which should more properly be dealt with under provincial law. Section 1148 recognizes the validity of provincial law in relation to these matters and most provinces have expressly dealt with them. To avoid confusion and duplication these provisions are not retained.

In our opinion section 508 and subsections (4), (5) and (6) of section 515 are of doubtful validity. In any event they relate to matters which should more properly be dealt with under provincial law. They are in fact covered by statutory enactments in the provinces.

Section 1048 provides that the court may award as compensation to a person aggrieved an amount not exceeding one thousand dollars, which shall be deemed a judgment debt. This has been changed (clause 638) to provide that compensation may be awarded out of moneys found in the possession of an accused. The limitation in amount has been removed because the amount found in the possession of a convicted person sometimes exceeds one thousand dollars and a limitation might work injustice. The creation of a judgment debt is considered a civil matter and this portion of the present provision is not retained.

Procedure

The major changes in procedure have been made in Parts XV, XVI, XVIII and XXI of the present Code.

Parts XVI and XVIII deal with the trial of indictable offences by magistrates and judges. These Parts readily lend themselves to consolidation and are combined in Part XVI of the draft Bill. The object of the consolidation is to provide a complete and expeditious procedure for the non-jury trial of indictable offences.

Under the proposed procedure the special jurisdiction conferred upon magistrates will be exercised only by those who are expressly appointed for that purpose. The requirement that magistrates must be expressly appointed to exercse jurisdiction under the Part is inserted in the expectation that the provinces will designate only qualified persons. The following is the definition of "magistrate":

> " 'magistrate' means a person appointed under the law of the province, by whatever title he may be designated, who is specially authorized by the terms of his appointment to exercise the jurisdiction conferred upon a magistrate by this Part, but does not include two or more justices of the peace sitting together."

Consideration was given to the extension of the absolute jurisdiction of magistrates and it was decided that cetrain minor extensions of this jurisdiction would be justified. It is therefore extended to include offences under

clause 179 which are cognate to those mentioned in clause 176 and over which a magistrate now has absolute jurisdiction. Clause 176 deals with betting, pool-selling and book-making. Clause 179 deals with lotteries. The absolute jurisdiction was further extended to include attempts to commit the offences of obtaining property by false pretences, receiving and retaining, where the value of the property does not exceed fifty dollars.

In view of the requirement that magistrates who are to exercise jurisdiction under the Part must be expressly appointed for the purpose, it was decided that the number of offences which should now be required to be tried by judge and jury should be reduced to include only treasonable offences, piracy and piratical acts, murder, manslaughter, combinations in restraint of trade, discrimination in trade, accessory after the fact to murder or treason, attempt to commit murder and conspiracy to murder (clause 413). The rights of an accused are in no way impaired as he is entitled to elect whether he will be tried by a judge and jury, by a judge alone, or by a magistrate.

Provision is made to enable an accused who is in custody in one province to have charges outstanding against him in another province disposed of if he wishes, but only where the accused admits his guilt and the Attorney General of the province in which the offences were committed consents. (clause 421 (3)).

The anomaly which presently exists with respect to sentences where a magistrate tries an offence mentioned in section 773, is abolished. Sentences which may be imposed for these offences will be the same whether the offence is tried summarily by a magistrate or is tried by a higher court.

Under Part XVI of the draft Bill no magistrate has absolute jurisdiction over any offence that is punishable by imprisonment for more than two years.

Summary Conviction Offences

With respect to Part XV (now Part XXIV of the draft Bill) which is the code of procedure for summary conviction offences, the purpose of the changes which are made is to bring about greater uniformity in procedure with respect to summary conviction offences and indictable offences.

The draft Bill provides that a proceeding under this Part must be commenced by an information under oath and that more offences than one may be included in an information as separate counts (clause 696). However, there is reserved to the court power to order a separate trial in respect of one or more of the counts where it is in the interests of justice so to do.

Under this Part the right of appeal is extended to permit appeals against sentence alone. Appeals are to be heard on the evidence taken at the trial and the powers of the court hearing an appeal in a summary conviction matter are similar to those of the courts which hear appeals in indictable offences. In order to ensure that the court will have before it all essential evidence, authority is given to hear witnesses called on the trial as well as additional witnesses.

Forfeiture of Bail

The provisions in respect of the forfeiture of bail contained in Part XXI of the present Code are not satisfactory. These provisions have been completely rewritten and are contained in Part XXII of the draft Bill. They provide a simple and uniform procedure for all the provinces.

Courts

In the draft Bill courts are specifically defined as superior courts of criminal jurisdiction or courts of criminal jurisdiction. The terminology of the present Code that involves references to such courts as Oyer and Terminer and General Gaol Delivery is not retained.

Simplification

The provisions relating to arrest with or without warrant by a peace officer or other person are shortened and simplified. (Clauses 434-438.)

The provisions relating to justification for acts authorized by law to be done in the administration or enforcement of the law are combined in clauses 25 and 26.

Substantive Changes

Your Commissioners have made substantive changes in the criminal law which in their opinion eliminate certain inconsistencies, legal anomalies and defects in the law.

One example is that under the present Code on a charge of rape or indecent assault, the evidence of the complainant need not be corroborated. However, a rule of practice requires the trial judge to give a warning as to the danger of convicting on the complainant's evidence alone. This rule is codified and extended to cases of carnal knowledge (clause 134) with the result that under the draft Bill corroboration of the evidence of the complainant is no longer required in cases of carnal knowledge.

Gaming Provisions

Your Commissioners have considered the gaming sections of the Code. While we are of the opinion that these sections contain certain inconsistencies and anomalies we have suggested no substantive changes because of the controversial nature of the matters involved.

Sentences

The sentences provided in the present Code follow no apparent pattern or principle and in our view are frequently not consonant with the gravity of the offences to which they relate.

Your Commissioners are of the opinion that there should be a few general divisions of punishment by imprisonment, each offence being assigned to one of the divisions. Accordingly, apart from the cases where the sentence of death may be imposed, maximum sentences of imprisonment are provided as follows:

(*a*) Life,
(*b*) 14 years,
(*c*) 10 years,
(*d*) 5 years,
(*e*) 2 years.

Suspended Sentence

The provisions relating to suspension of sentence contained in section 1081 of the Code are varied in clause 638 of the draft Bill. Under section 1081 where a person is convicted of any offence and no previous conviction is proved against him, the court may suspend the passing of sentence, but if the offence is punishable with more than two years' imprisonment, the concurrence of counsel acting for the Crown is required. It is the opinion of your Commissioners that the powers of the court to suspend the passing of sentence should not be subject to the consent of counsel for the Crown. It is a fundamental principle of the administration of justice that the law should be administered by a free and independent judiciary, and in determining whether a convicted person should be released on suspended sentence and thus be given an opportunity to rehabilitate himself, or should be sent to prison, the discretion of the judge should be unfettered. Under the provisions of clause 638 the court has power to suspend sentence in the case of any offence without the concur-

rence of counsel for the Crown, but the Crown is given an appeal against the suspension of sentence. (Clause 581 (*d*)). The provisions with respect to previous convictions have been retained.

Fines

The provisions of the present Code empowering the imposition of fines in lieu of or in addition to any other punishment are retained.

Minimum Punishment

Your Commissioners consider that all minimum punishments should be abolished and none are continued in the draft Bill.

In 1878 Sir John Holker, then Attorney General of England, in introducing the original Draft Code in the House of Commons, said:

> "Minimum punishments were a great evil, and I am happy to say that these punishments have been to a very considerable extent set aside by recent legislation; and now a very large discretion is confided to judges, and they are enabled, upon their view of the circumstances, to mitigate the punishment almost to any extent. I think that is right."

Chief Justice McRuer in Vol. 27 of the Canadian Bar Review (1949), p. 1003, writes in part as follows:

> "It is much easier to justify a fixed punishment for murder, with all the safeguards of review that have been thrown around the execution of the sentence, than a minimum sentence for theft of a motor vehicle. An arbitrary law of the latter character tends to corrupt the administration of justice by creating a will to circumvent it. Even parliament itself has shown such a disposition by the enactment of section 285(c) of the Criminal Code which, although appearing to create a separate crime, defies the legal mind to distinguish it from theft properly defined."

Punishment for Summary Conviction Offences

In keeping with our desire for simplification, the draft Bill provides one general penalty for all summary conviction offences, namely, a fine of $500 or six months' imprisonment, or both.

Indeterminate Sentences

Your Commissioners have considered the question of indeterminate sentences and have consulted the provincial representatives in the matter. There was no general feeling in favour of such sentences, and while we believe they would have some merit, we think it would be impracticable to provide for such sentences until the requisite machinery, including a parole board, has been established.

Grand Jury

Your Commissioners favour the abolition of the Grand Jury in the interests of uniformity. It has been abolished in every part of the British Commonwealth except in Canada where it is retained in five provinces, namely, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. However, the Grand Jury forms part of the judicial machinery for the enforcement of the law in those provinces where it has been retained. Moreover it has in the past been abolished only in those provinces that have asked for its abolition. In these circumstances we do not feel free to recommend its abolition without the support of the provinces concerned.

Criminal Negligence

We have considered the question as to the degree of negligence necessary to constitute a criminal offence.

A great deal of confusion has arisen, particularly in motor manslaughter cases, as to the degree of negligence required to sustain a conviction against an accused person. Much of the confusion arises by reason of the standard of care set forth in section 247 which reads as follows:

> "247. Every one who has in his charge or under his control any thing whatever, whether animate or inanimate, or who erects, makes or maintains anything whatever which, in the absence of precaution or care, may endanger human life, is under a legal duty to take reasonable precautions against, and use reasonable care to avoid, such danger, and is criminally responsible for the consequences of omitting, without lawful excuse, to perform such duty."

This definition appears to impose criminal liability for what might be termed civil negligence, yet the weight of judicial authority is to the effect that in order to sustain a conviction, it must be shown that the negligence of an accused person went beyond a mere matter of compensation and showed such disregard for the lives and safety of others as to amount to a crime against the state and conduct deserving punishment.

There is also the difficulty with respect to cases involving so-called involuntary manslaughter and particularly motor manslaughter in which the jury is reluctant to convict an accused person notwithstanding that he may have been guilty of reckless conduct amounting to criminal negligence. This difficulty gave rise to the enactment of section 951(3) of the Criminal Code which enabled a court, upon a charge of manslaughter arising out of the operation of a motor vehicle, to acquit the accused of manslaughter and find him guilty under section 285(6) notwithstanding that the degree of negligence required to warrant a conviction for the major or minor offence was the same. In order to resolve these difficulties we have dropped section 247 and also section 951(3) and have inserted a definition of criminal negligence in clause 191 of the draft Bill as follows:

> "191. (1) Everyone is criminally negligent who shows a wanton or reckless disregard for the lives or safety of other persons
>
> (*a*) by doing anything, or
>
> (*b*) by omitting to do anything that it is his duty to do.
>
> (2) For the purposes of this section, "duty" means
>
> (*a*) a duty imposed by law, or
>
> (*b*) a duty for the breach of which a person may be found liable in civil proceedings."

This definition is followed by clauses 192 and 193 which provide that everyone who by criminal negligence causes the death of another person is guilty of an indictable offence and is liable to imprisonment for life, and any person who by criminal negligence causes bodily injury to another person is guilty of an indictable offence and is liable to imprisonment for ten years.

The definition of criminal negligence in clause 191 is in accord with judicial authorities which state that wanton or reckless misconduct is required to support a charge involving criminal negligence: *R. v. Bateman*, 94 L.J.K.B. 791; *Andrews*

v. Director of Public Prosecutions, 106 L.J.K.B. 370; *R. v. Greisman,* 59 O.L.R. 156, and 46 C.C.C. 172; *R. v. Baker,* (1929) S.C.R. 354. In *R. v. Bateman,* supra, Lord Hewart stated that to support an indictment for manslaughter based on criminal negligence, the prosecution must prove the matters necessary to establish civil liability (except pecuniary loss) and in addition must satisfy the court that the negligence alleged "went beyond a mere matter of compensation and showed such disregard for the lives and safety of others as to amount to a crime against the state and conduct deserving punishment". See also the remarks of Lord Atkin in *Andrews v. Director of Public Prosecutions,* supra, and Tremeear, 5th Ed., pp. 271 et seq.

It should be observed that under clause 192 any one who is convicted for causing the death of another person by criminal negligence in operating a motor vehicle is liable to life imprisonment.

In clause 194(5) it is provided that a person commits culpable homicide when he causes the death of a human being by criminal negligence. Under this provision any one who causes the death of another person by criminal negligence may be indicted for manslaughter, and if found guilty is liable under clause 207 to imprisonment for life.

In concluding the report on the subject of criminal negligence, attention should be called to the provisions of clause 221(1) which make it an offence to be criminally negligent in the operation of a motor vehicle whether or not such operation causes bodily injury to or death of another person. Because of this provision it has been unnecessary to retain subsections (1) and (6) of section 285.

Place of Trial (Newspapers)

The Commission has considered that subsection (2) of clause 421 which provides that the proprietor, publisher, editor or other person charged with the publication of a defamatory libel in a newspaper or with conspiracy to publish a defamatory libel shall be dealt with, indicted, tried and punished in the province where he resides or in which the newspaper is printed. The majority of the Commission is of the opinion that the provision is contrary to the well established principle of the criminal law that an accused should be indicted, tried and punished where the offence is committed and that there appears to be no good reason under modern conditions why this principle should not be preserved in relation to newspapers. However, in view of the fact that this section was recently before Parliament, it is retained in the draft Bill.

Conclusion

Your Commissioners desire to state that as to some of the provisions of the draft Bill there was a difference of opinion. While the draft Bill presented reflects in some respects the view of the majority only, no useful purpose can be served by indicating specifically the matters in which differences of opinion were not fully resolved.

The following Appendices are attached hereto:

Appendix A—Table of Concordance showing disposition of sections of the present Code.

Appendix B—Table of Concordance showing origin of clauses in the draft Bill.

Appendix C—Table of Contents of the draft Bill.

In concluding this report your Commissioners wish to take this opportunity of expressing their appreciation of the valuable assistance and untiring service which they have received from the following personnel:

Mr. J. C. Martin, Q.C., who has acted as Counsel to the Committee and Commission;

Mr. A. J. MacLeod, of the Department of Justice for his assistance in the drafting of the Bill; and

Mr. L. J. Ryan, who acted as Secretary to the Committee and Commission.

Respectfully submitted.

(Sgd) W. M. MARTIN, *Chairman,*
ROBERT FORSYTH,
FERNAND CHOQUETTE,
H. J. WILSON,
J. SEDGWICK,
A. A. MOFFAT.

Ottawa,
January 22, 1952.

CRIMINAL CODE REVISION

"A"

TABLE OF CONCORDANCE RESPECTING SECTIONS OF PRESENT CODE

Ottawa,
January, 1952.

TABLE OF CONCORDANCE

Present Code Section	Clause in Draft Bill
1	1
2 (1)	(1)
(2)	(2)
(3)	dropped
(4)	(3)
(4) *(a)*	(4)
(5)	(5)
(6)	dropped
(7)	(9)
(8)	391 *(d)*
(9)	dropped
(10) *(a)*	168 (1) *(e)* not required because of definition of territorial division.
(11)	(12)
(12)	(13)
(13)	(15)
(14)	(16)
(15)	(17)
(16)	dropped
(16) *(a)*	(19)
(17)	(20) and (8)
(18)	dropped
(19)	(21)
(20)	dropped
(20) *(a)*	(23)
(21)	(24)
(22)	(26)
(23)	247 and 421 (4)
(24)	(28) and (11)
(25)	(29)
(26)	dropped
(27)	(30)
(28)	(22)
(29)	(31)
(30)	81 (2)
(31)	(32)
(32)	(34)
(33)	(35)
(34)	(36)
(35)	dropped
(36)	(43)
(37)	dropped
(38)	(38)
(39)	(39)
(40)	(40)
(41)	410 (2)
(42)	(41)
(43)	(42)
(44)	(43)
(45)	(44)
(2)	3 (1)
3	3 (2)
4	3 (3)
5	3 (4) and 485
6	3 (5)
7	3 (6)
8	4
9	6
10, 11, 12	covered by 7
13	9
14	dropped
15	10
16	7 (2)
17	12
18	13
19	16
20	17
21	18
22	19
23, 24, 25, 26, 27	25
28	28
29	25
30, 31, 32, 33, 34, 35, 36, 37	25
38	dropped
39	25
40	29

Present Code Section	Clause in Draft Bill
41 } 42 } 43 } 44 } 45 }	25
46	30
47	31
48 } 49 } 50 } 51 }	32
52	27
53 (1) and (2)	34
(3)	36
54 (1)	35
(2)	36
55	37
56	38
57 } 58 }	39
59 } 60 }	40
61	41
62	42
63	43
64	44
65	45
66	26
67	14
68	15
69	21 and 407
70	22
71	23
72	24
74 (1)	46(1) and (2)
(2)	47(1)
75	46(3)
76	50
77	46(1)
78	46(1)
79	51
80	52
81	53
82	54
83	56

Present Code Section	Clause in Draft Bill
84	57
87	64
88	65
89	67
90	66
91	68
92	69
93	33
94	70
95	110
96 } 97 }	372
99	71
100	See 160
101	72
102	73
103	74
104	dropped
105 } 106 }	81(1)
107 } 108 } 109 } 110 }	dropped
111	77
112	78
113	79
114	80
115	82
116	83
117	84
118	85
119	86
120	88
121	89
122	90
123	91
124	93
125	94
126	95
127	96

Present Code Section	Clause in Draft Bill
128	97
129	98
130, 131, 132	dropped
132A	63
133, 133A	60
134	61
135	62
136	166
137	75
138	76
139	75
140	dropped
155	99
156	100 (1)
157	101
158	102
159	654
160	103
161	104
162	105 and 654
163	106
164	107
165	108
166	109
167, 168	110
169	111
170	99 and 112
171	99
172	113 (1)
173	114
174	113 (1)
175, 176	114
177	117
178	408 (b)
179	118
180	119
181	dropped

Present Code Section	Clause in Draft Bill
182	122
183	123
184	dropped
185	125
186	128
187, 188	124
189	125
190	125
191, 192	127
193, 194, 195	126
196	129
197	130
198	246
199, 200, 201	161
202	147
203	dropped
204	142
205	158
205A (1)	159
(2)	dropped
206	149
207	150
207A	151
208	152
209 (a) and (b)	153
(c)	324
210	131 (3)
211 (1)	143
(2)	131 (4)
(3)	dropped
212	144
213 (1)	145
(2)	131 (4)
214 (1)	146
(2)	131 (2)
215 (1)	155
(2)—(6)	157
(7)	133
216	184 (1) and (2)
217	156

Present Code Section	Clause in Draft Bill
218	408 *(c)*
219	140
220	dropped
221 222	165
222A	dropped
222B	160 *(a)*
223	dropped
224	dropped
225	168 (1) *(b)*
226 227	168 (1) *(c)*, *(d)*, *(h)* and *(i)* and 168 (2) and (4)
228	176 (2), 182 (2)
229 (1)	176 (1)
(2)	182, 176
(3)	168 (1) *(h)*
(4)	182 (2)
(5)	dropped
(6)	182 (4)
(7)	182 (3)
(8)	183
230	175
231	326 (1)
231A	327
232 233	dropped
234	180
235 (1)	177
(2)—(6)	178
236	179
237	167
238 (*a*)	164 (*a*)
(*b*)	dropped
(*c*)	160 (*b*)
(*d*)	164 (*b*)
(*e*)	160 (*c*)
(*g*)	160 (*d*)
(*h*)	372
(*i*)	164 (*c*)
(*j*)	164 (*d*)
(*k*)	164 (*e*)
239	164 (2)
240	185
241 242	186
243	190
244	186 and 190
245	189
246	187

Present Code Section	Clause in Draft Bill
247	covered by 191
248	188
249	190
250	194 (1)
251	195
252	194 (2) — (5)
253	194 (6)
254	198
255	200
256	199
257	196
258	197
259	201
260	202
261	203
262 (1)	205
(2)	204
263	206
264	210
265	316
266 (*a*)	408 (*a*)
(*b*)	407
267	211
268	207
268A	208
269	212
270	213
271	214
272	215
273	216
274	231 (2)
275	dropped
276	218
277 278	217
279	77
280	78
281	219
282	220
283 284	covered by 193

Present Code Section	Clause in Draft Bill
285 (1) and (2)	221 (2) and (3)
(3)	281
(4)	222
(4a)	223
(4b) — (4e)	224
(5)	226
(6)	221 (1)
(7) and (8)	225
(9)	2 (18)
286	227
287	228
288 }	229 (1) and (2)
289 }	
290	230
291	231 (1)
292 *(a)* and *(b)*	141 (1)
(c)	231 (2)
293	147
294	132
295	231 (2)
296	232
297	233
298 (1)	135
(2)	139
299	136
300	137
301	138
(4)	131 (4)
302	dropped
303 }	237
304 }	
305	238
306	209
307	239
308	240
309 (1)	241 (1)
(2)	242
310	243 (1)
311	244
312	245
313	234
314	dropped
315	235
316	236
317	248

Present Code Section	Clause in Draft Bill
318	249
319	262
320	255
321	256
322	257
323	258
324	259
325	260
326	265
327	263
328	264
329	253
330	254
331	261
332	252
333	250
334	251
335 (1) *(a)*, *(b)* and *(c)*	dropped
(d)	268 *(a)*
(e), *(f)*	dropped
(g)	2 (14)
(h)	268 *(b)*
(i)	dropped
(j), *(k)*, *(l)*	268 *(c)*, *(d)*, *(e)*
(m)	322 *(a)*
(n)	351 (4) *(a)*
(o)	322 *(b)*
(p), *(q)*, *(r)*	dropped
(s)	268 *(f)*
(t), *(u)*	dropped
(v)	322 *(c)*
(w)	351 (4) *(b)*
(x)	322 *(d)*
(y)	322 *(e)*
336	351 (3)
337	dropped
338	dropped
339	2 (14)
340	294
341 }	covered by 351
342 }	
343	dropped
344	269
345	269 (5)
346	270 (1)
347	269 (1) — (4)
348	271

Present Code Section	Clause in Draft Bill
349 (1)	272
(2)	dropped
350	dropped
351	273
352	274
353	dropped
354	275
355	276
356	277
357	278
358, 359, 360, 361, 362, 363	dropped
364, 365	298 (1)
366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377	dropped
378 (1)	dropped
(2)	279
379, 389, 381, 382, 383, 384, 385	dropped
386, 387	covered by 280
388	dropped
389	dropped
390	282
391	283
392	284 (1)
393	covered by 386
394	285 (1) and (6)
395	dropped
396	286
397	287
398	299
399	296, 297
400	298 (1)
401	dropped
402	300
403	dropped
404	303
405 (1)	304 (1) (*a*)
(2)	304 (1) (*b*)
(3)	304 (3)
405A	58
405B	59
405C	58
406 (1)	305
(2)	306 (1) and (2)
(3)	306 (3) and (4)
407 (1)	dropped
(2) (*a*)	304 (1) (*c*)
(*b*)	304 (1) (*d*)
(3)	307
408	346
409	347
410	346
411	348
412 (1) and (2)	336
(3)	344
413	340
414	343
415	340
415A (*b*) and (*v*)	341
balance	dropped
416	342
417 (*a*) and (*b*)	335
(*c*)	345
418	340
419	328
420	329
421	330
422, 423	dropped
424 (1) and (6)	337
(2)—(5)	dropped
424A	339
425	331
426	312

Present Code Section	Clause in Draft Bill
427	333
428	334
429	dropped
430	358
431 (1)—(3)	dropped
(4)	285 (2)
432	359
433	360
434	361 and 654
435	362
436	363
437, 438, 439, 440	dropped
441	dropped
442 *(a)*	181
(b)	179
443	308
444	323
444A	325
445, 446	288
447	289
448	288
449	290
450, 451, 452, 453, 454	291
455, 456, 457, 458, 459, 460, 461	292
46	293
463	82
464	295
465	dropped
466	309
467	311
468	310 (1)
471, 472, 473	312

Present Code Section	Clause in Draft Bill
474	313
475	314
476	315
477	317
478	318
479	319
480, 481, 482, 483	320 and 321
484	340
485	340
486	349
487	350
488	351, 352
489	351
490	353
490A	354
491	355
492	356
493	dropped
494	352
495	dropped
496, 497	409
498	411
498A	412
499	365
500	dropped
501, 501	366
502A	367
503	dropped
504	368
504A	dropped
505	369
506	dropped
508	dropped
509	371 (1)
509A	49
510	372

Present Code Section	Clause in Draft Bill
510A	163
511	374
512	375
513	374
514	375
515 (1) and (2)	377
balance	dropped
516	316
516A	378
516B	372
517, 518, 519, 520, 521, 522	372
523	covered by 372, 406
524	379
525	372
526	380
527	381
528	320 and 321
529	382
530	383
531, 532	384
533, 534, 535	372
536	385
537 (1) *(a)* and *(b)*	386
(c)	316
(2)	dropped
538	316
539	373
540	dropped
541	371 (2) and (3) and 376
542	387
543	388
544	389
545	390
545A	419

Present Code Section	Clause in Draft Bill
546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 567	Part X
568	dropped
569	Part X
570, 571, 572	406 and 407
573	408 *(e)*
574, 575	406
575A	659
575B	660
575C (1)	660
(2)	dropped
(3) and (4)	662
575D	663
575E	667
575F	664
575G (1)	664
(2) and (3)	665
575H	666
576	424
577	414
578	dropped
579	554
580 (1)	413 (1)
(2)	418
581	416
581A	417
582	413 (2)
583	413 (2)
584	419
585	422

Present Code Section	Clause in Draft Bill
586 587	423
588	dropped
589	dropped
590	410 (1)
591	420 (2)
592	dropped
593	100 (2)
594	dropped
595	229 (3)
596 597 598 599 600 601 602 603	dropped
604	425
604A	Part XIX
605	dropped
606	426
607	dropped
619 620 621 623 624 625 626 627 628	dropped
629	429
630	430
631	432 (1) and (2)
632	covered by 405
633	433
634	96
635	355 (2)
636	dropped
637	338
638	285 (3)
640	172
641	171 and 173
642	174
643	dropped
644	427

Present Code Section	Clause in Draft Bill
645	428
646	434
647	435
648	435
649	436
650	437
652	435 pt. 438 pt.
653	439
654	439
655 (1), (2) and (4) (3)	440 (1)—(3) Part XIX
656	dropped
658 (1) (2) (3) (4) (5)	441 (1) 441 (2) 440 (4) 441 (3) 441 (6)
659 (1) (2)	442 (3) 440 (4)
660 (1) (2) and (3) (4) and (5)	443 442 (1) and (2) 444
661 (1) and (2) (3)	445 20
662 (1)—(3) (4)—(6)	447 and 429 446
663	Part XIX
664	442 (1) *(c)*
665 (1) (2) and (3)	dropped 456
666	456
667	448
668	449
669	458
670	459
671 672 673 674 675 676 677	Part XIX
678	457
679 680 681	451
682 683	453

Present Code Section	Clause in Draft Bill
684	453 and 454
685	455
686	454
687	460
688	dropped
689	dropped
690	460
691	512
692	461
693	Part XIX
694	461
695 (1)	462
(2)	508
(3) and (4)	514
697, 698	463
699	464
700	463
701	465
702	463
703	672
704	636
705 *(a)* — *(d)*	692
(e)	733
706	692 *(d)*, 693
707	692 *(g)*, 705
708 (1)	695 (2)
(2) — (4)	697
(5)	692 *(g)*
709	699
710	695, 696
711, 712, 713	Part XIX and 700
714	428
715	709
716 (1)	709 (3)
(2) — (4)	Part XIX
717	702
718	710 (3)
719	706
720	707
721	708

Present Code Section	Clause in Draft Bill
721A	712
722	710
723	701
724	704
725	703
726	711
727	713
728	714
729	dropped
730	715
731	dropped
732	699
733, 734	dropped
735, 736, 737, 738	716
739	694
740	621 and 373
741, 742, 743, 744, 745	dropped
746	621
747	dropped
748 (1)	637
(2) — (5)	717
749	719, 720 and 721
750	721, 722, 724 and 725
751 (1)	727
(2)	731 (2)
(3)	728
(4) and (5)	dropped
752	covered by 727
753	727
754	727 and 732
755	730
756	732 (2)
757 (1)	726 (1)
(2)	725 (2)
(3)	712 (4)
(4)	732 (3)
758	731 (1)
759	731 (3) and (4)

Present Code Section	Clause in Draft Bill
760	729, 730
761	734
762 (1) — (3)	735
(4) and (5)	736
763	737
764	738
765, 766	740
767	741
768	739
769	742
769A	743
770	744
771, 772, 773, 774, 775, 776	Part XVI
776A, 777, 778, 779, 780, 781, 781A	Part XVI
782 (1)	441 (4) and (5)
(2) and (3)	470
783, 784, 785, 786, 787	Part XVI
788, 789	Part XIX
790, 791, 792, 793, 794, 795	Part XVI
796	450
797, 798, 799	Part XVI
822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 834A, 835, 836, 837, 838, 839, 840	Part XVI

Present Code Section	Clause in Draft Bill
841, 842	Part XIX
843, 844	491
845 (1) and (2)	491
(3)	510
846	dropped
847 (1)	55 and 492
(2)	510
848	dropped
849	502 and 503
850	dropped
851	572
852, 853	492
854	500
855 (1)	493
(2)	492
856	499, 501
857, 858	501
859, 860	497
861	494
862	495
863	496
864 *(a)* — *(d)*	dropped
(e)	270 (2)
865	498
866, 867, 868	dropped
869 (1)	298 (2)
(2)	dropped
870	dropped
871	dropped
872	486
873 (1) — (3)	487
(4)	488
(5) — (7)	489
874, 875	504
876	505
877	506
878	dropped
879	507

Present Code Section	Clause in Draft Bill
880, 881, 882	dropped
883	446
884, 885	508
886 (1)	509
886 (2)	669
887	508
888	421 (1) and (2)
889, 890	510
891	500
892	dropped
893	510
894, 895, 896	512
897	513
898	510
899 (2)	537
900, 901 (1) and (2)	515
902, 903, 904	dropped
905 (1)	516
905 (2)	522
906	516
907	518
908	517
909	519
910	520
911	521
912, 913	266
914	532
915	533
916	528
917	dropped
918	529
919	530
920	531
921	534
922	dropped

Present Code Section	Clause in Draft Bill
923	535
924	536
925	538
926	539
927	540 and 541
928	550
929	552
929A	553
930, 931	549
932	542
933	543
933A	541
934	546
935	547
936	548
937	544
938	545
939	551
940	488
941	446
942	557
943 (1)	557
944	558
945 (1), (2), (6)	554
945 (3) — (5)	556
946	556
947	266
948	243 (2)
949	567
950	568
951 (1), (2)	569
952	569
953	dropped
954	503
955	404
956	267
957	405
958	559
959	556

Present Code Section	Clause in Draft Bill
960	560
961	561
962	490
963	572
964	573
965	580
966	523
967	524
968	525
969	526
970	527
971–976	Part XIX
977	446
978	562
979	113 (2)
980	dropped
981	403
982	574
983	dropped
984	565
985	169
986 (1) — (3)	169
(4)	170
987	326 (2)
988	563
989	284 (2), (3)
990	285 (4), (5)
991	364
992	357
993	301
994	302
995–1000	Part XIX
1001	564
1002 *(a)*	47 (2)
(b)	115

Present Code Section	Clause in Draft Bill
1002—(Conc.)	
(c)	131 (1), 184 (3)
(d)	242 (2)
(e)	310 (2)
1003 (1)	dropped
(2)	566
(3)	99 *(f)*
1004	575
1005	576
1006	covered by 634
1007	dropped
1008, 1009	577
1010	578
1011	579
1012	581
1013 (1), (2) pt.	583
(2), (4), (5) pt.	584
(3)	582
(6)	585
(5) pt.	592
1014	592
1015	593
1016	592
1017	424, 595
1018	586, 594
1019	587
1020	424, 588
1021 (1) — (3)	424, 589
(4) and (5)	590
(6) pt. (7)	594
(10	591
(11), (13) — (18)	424
(8)	589
1022 (2)	596
1023 (1)	597 (1)
(2) pt.	597
(3)	598
(4)	599
1024	600
1025 (1)	597, 598
(2)	599
1025A	dropped
1026	640
1027	5 (1)
1028, 1029	621
1030–1033	5 (1) *(b)*

Present Code Section	Clause in Draft Bill
1034	654
1035 (1) and (2)	622
(3)	623
(4)	621
1035A	625
1036	626
1037	
1038	627
1039	355 (2)
1040	dropped
1044	dropped
1045	631
1046	dropped
1047	
1048	628
1049	629
1050	630
1051	5 (1) *(b)*
1052 (1)	623
(2)	694 (1)
1053	dropped
1054	621
1054A (1) — (3) and (5)	661
(4)	662
(6)	665 (2)
(7)	666
(8)	659
1054B	624
1055	621
1056	634
1057	dropped
1058	637
1059	
1060	641
1061	dropped
1062	642
1063	643
1064	644
1065	645
1066	
1067	
1068	646
1069	647
1070	648
1071	650

Present Code Section	Clause in Draft Bill
1072	649
1073	651
1074	652
1075	653
1076	655
1077	656
1078	dropped
1079	dropped
1080	657
1081	638
1082	dropped
1083	639
1084	658
1085	
1086	Part XXII
1087	
1088	
1089	Part XXII
1090	
1091	
1092	
1093	
1094	
1095	
1096	
1097	
1098	
1099	
1100	
1101	
1102	
1103	
1104	
1105	
1106	
1107	
1108	
1109	
1110	
1111	
1112	
1113	
1114	
1115	
1116	
1117	
1118	
1119	
1120	681
1121	682
1122	
1123	dropped
1124	683
1125	684
1126	685
1127	686

Present Code Section	Clause in Draft Bill
1128	687
1129	682
1130	688
1131	689
1140 (1) *(a)* (i) and (ii)	48 (1)
(1) *(c)*—*(v)* to *(x)*	133, 184 (4)
(2)	48 (2)
1141	627
1142	693 (2)
1143	
1144	
1145	dropped
1146	
1147	
1148	
1150	dropped
1151	dropped
1152	748

CRIMINAL CODE REVISION

"B"

TABLE SHOWING ORIGIN OF CLAUSES IN DRAFT BILL

Ottawa,
January, 1952.

Clause No.	R.S.C. 1927, c. 36
	PART I
1	1
2 (1)	2 (1)
(2)	(2)
(3)	(4)
(4)	(4) *(c)*
(5)	(5)
(6)	new
(7)	new
(8)	(17)
(9)	(7)
(10)	new
(11)	(24)
(12)	(11)
(13)	(12)
(14)	335 *(g)* and 339 pt.
(15)	(13)
(16)	(14)
(17)	(15)
(18)	285 (9)
(19)	(16) *(a)*
(20)	(17)
(21)	(19)
(22)	(28)
(23)	(20) *(a)*
(24)	(21)
(25)	new
(26)	(22)
(27)	new
(28)	(24)
(29)	(25)
(30)	(27)
(31)	(29)
(32)	(31)
(33)	new
(34)	(32)
(35)	(33)
(36)	(34)
(37)	new
(38)	(38)
(39)	(39)
(40)	(40)
	(41) put in 410 (2)
(41)	(42)
(42)	(43)
(43)	(44) and 36
(44)	(45)
3 (1)	2 (2)
(2)	3
(3)	4
(4)	5 (1) *(b)* and (2)
(5)	6
(6)	7
4	8
5 (1) *(a)*	1027
(b)	1030—1033 and 1051
(2)	new
6	9
7 (1)	new
(2)	16
8	new
9	13
10	15
11	new
12	17
13	18
14	67
15	68
16	19
17	20
18	21
19	22
20	661 (3)
21	69
22	70
23	71
24	72
25	23 to 27, 29, 30 to 37, 39, 41 to 45
26	66
27	52
28	28
29	40
30	46
31	47
32	48, 49, 50, 51
33	93
34	53 (1) and (2)
35	54 (1)

Clause No.	R.S.C. 1927, c. 36
36	53 (3) and 54 (2)
37	55
38	56
39	57 and 58
40	59 and 60
41	61
42	62
43	63
44	64
45	65
	PART II
46 (1), (2) and (3)	74, 75, 77, 78
47 (1)	74 (2)
(2)	1002
48 (1)	1140 (1) *(a)*
(2)	1140 (2)
49	509A
50	76 and new
51	79
52	80
53	81
54	82
55	847 (1)
56	83
57	84
58	405A, 405C
59	405B
60	133 and 133A
61	134
62	135
63	132A
64	87
65	88
66	90
67	89
68	91
69	92
70	94
71	99

Clause No.	R.S.C. 1927, c. 36
72	101
73	102
74	103
75	137 and 139
76	138
77	111 and 279
78	112 and 280
79	113
80	114
81 (1)	105 and 106
(2)	2 (30)
82	115 and 463
83	116
84	117
85 (1)	118
(2)	new
86	119
87	new
88	120
89	121
90	122
91	123
92	new
93	124
94	125
95	126
96	127 and 634
97	128
98	129
	PART III
99	155, 170, 171 and 1003 (3)
100	156 and 593
101	157
102	158
103	160
104	161
105	162
106	163
107	164

Clause No.	R.S.C. 1927, c. 36
108	165
109	166
110	95, 167 and 168
111	169
112	170
113 (1)	172 and 174
(2)	979
114	173, 175 and 176
115	1002
116	new
117	177
118	179
119	180
120	new
121	new
122	182
123	183
124	187 and 188
125	185, 189 and 190
126	193, 194 and 195
127	191 and 192
128	186
129	196
	PART IV
130	197
131 (1)	1002
(2)	214 (2)
(3)	210
(4)	211 (2), 213 (2) and 301 (4)
132	294
133	215 (7) and 1140 (1) *(c)*
134	new
135	298 (1)
136	299
137	300
138	301
139	298 (2)
140	219
141	292 *(a)* and *(b)*
142	204

Clause No.	R.S.C. 1927, c. 36
143	211 (1)
144	212
145	213 (1)
146	214 (1)
147	202
148	293
149	206
150	207
151	207A
152	208
153	209 *(a)* and *(b)*
154	new
155	215 (1)
156	217
157	215 (2) — (6)
158	205
159	205A (1)
160	100, 222B and 238
161	199, 200 and 201
162	new
163	510A
164	238 *(a)*, *(d)*, *(i)*, *(j)*, *(k)* and 239
165	221 and 222
166	136
167	237
	PART V
168 (1) *(a)*	new
(b)	225
(c)	227
(d)	226
(e)	2 (9*a*)
(f)	new
(g)	new
(h)	227 (2) and 229 (3)
(i)	227 (2)
(2)	226 (1) *(b)* (ii)
(3)	new
(4)	226 (2)
169	985 and 986 (1), (2) and (3)
170	986 (4)
171	641
172	640
173	641 (1)

Clause No.	R.S.C. 1927, c. 36
174	642
175	230
176	228 and 229
177	235 (1)
178	235 (2) — (6)
179	236 and 442 *(b)*
180	234
181	442 *(a)*
182 (1)	229 (2)
(2)	228 (1) and (2) and 229 (4)
(3)	229 (7)
(4)	229 (6)
183	229 (8)
184 (1) and (2)	216
(3)	1002
(4)	1140 (1) *(c)*
	PART VI
185 *(a)*, *(c)*, *(d)*	240
(b)	new
186	241, 242 and 244
187	246
188	248
189	245
190	243, 244 and 249
191	new
192	new
193	283, 284 and new
194 (1)	250
(2)	252 (1)
(3)	252 (4)
(4)	252 (3)
(5)	252 (2)
(6)	253
195	251
196	257
197	258
198	254
199	256
200	255
201	259
202	260
203	261
204	262 (2)

Clause No.	R.S.C. 1927, c. 36
205	262 (1)
206	263
207	268
208	268A
209	306
210	264
211	267
212	269
213	270
214	271
215	272
216	273
217	277 and 278
218	276
219	281
220	282
221 (1)	new
(2) and (3)	285 (2)
222	285 (4)
223	285 (4) *(a)*
224	285 (4) *(b)* — (4) *(e)*
225	285 (7) and (8)
226	285 (5)
227	286
228	287
229	288, 289, 595
230	290
231	274, 291 and 295
232	296
233	297
234	313
235	315
236	316
237	303, 304
238	305
239	307
240	308
241 (1)	309 (1)
(2)	new

Clause No.	R.S.C. 1927, c. 36
242 (1)	309 (2)
(2)	1002 *(d)*
243 (1)	310
(2)	948
244	311
245	312
246	198
247	2 (23)
248	317
249	318
250	333
251	334
252	332
253	329
254	330
255	320
256	321
257	322
258	323
259	324
260	325
261	331
262	319
263	327
264	328
265	326
266	912, 913, 947
267	956
	Part VII
268	335 *(d)*, *(h)*, *(j)*, *(k)*, *(l)*, *(s)*
269	345 and 347
270	346 and 864 *(e)*
271	348
272	349 (1)
273	351
274	352
275	354
276	355
277	356

Clause No.	R.S.C. 1927, c. 36
278	357
279	378 (2)
280	new
281	285 (3)
282	390
283	391
284 (1)	392
(2)	989
(3)	989
285 (1) and (6)	394
(2)	431 (4)
(3)	638
(4) and (5)	990
286	396
287	397
288	445 and 446, 448
289	447
290	449
291	450–454
292	455–461
293	462
294	340
295	464
296	399
297	399
298 (1)	364, 365 and 400
(2)	869 (1)
299	398
300	402
301	993
302	994
303	404
304	405 and 407 (2)
305	406 (1)
306	406 (2) and (3)
307	407 (3)
308	443
309	466
310 (1)	468
(2)	1002
311	467
312	471, 472 and 473

Clause No.	R.S.C. 1927, c. 36
313	474
314	475
315	476
316	265, 516, 537 (1c) and 538
317	477
318	478
319	479
320 321	480 — 483 and 528
	Part VIII
322	335 (1) *(m)* *(o)* *(v)* *(x)* and *(y)*
323	444
324	209 *(c)*
325	444A
326	231 and 987
327	231A
328	419
329	420
330	421
331	425
332	426
333	427
334	428
335	417 *(a)* and *(b)*
336	412 (1) and (2)
337	424 (1) and (6)
338	637
339	424A
340	413, 415, 418, 484 and 485
341	415A *(b)* and *(c)*
342	416
343	414
344	412 (3)
345	417 *(c)*
346	408 and 410
347	409
348	411
349	486
350	487

Clause No.	R.S.C. 1927, c. 36
351 (1)	488 (1) pt. and 489
(2)	488 (2)
(3)	336
(4) *(a* and *b)*	335 (1) *(n)* and *(w)*, 341 and 342
352	488 (1) and 494
353	490
354	490A
355	491, 635 and 1039
356	492
357	992
358	430
359	432
360	433
361	434
362	435
363	436
364	991
365	499
366	501 and 502
367	502A
368	504
369	505
	Part IX
370	new
371	509 and 541
372 consolidation of	96 97 238 *(h)* 510 516B 517 518 519 *(a)* 520 521 522 525 533 534 535
373 (1), (2), (3)	539
(4)	740 (1) pt.
374	511 and 513
375	512 and 514
376	541 (2)
377	515 (1) and (2)
378	516A

Clause No.	R.S.C. 1927, c. 36
379	524
380	526
381	527
382	529
383	530
384	531 and 532
385	536
386	393, 537 (1) *(a)* and *(b)*
387	542
388	543
389	544
390	545
PART X	
391–405	This Part is derived from Part IX of the present Code. It has been completely revised.
401	2 (8), 546-569, 632, 955, 957, 981
PART XI	
406	570, 571, 572, 574, 575
407	69 and 572 pt.
408 *(a)*	266 *(a)*
(b)	178
(c)	218
(d)	new
(e)	573
409	496 and 497
410	2 (41) and 590
411	498
412	498A
PART XII	
413 (1)	580 (1)
(2)	582 and 583
414	577
415	new
416	581
417	581A

Clause No.	R.S.C. 1927, c. 36
418	580 (2)
419	545A and 584
420 (1)	new
(2)	591
421 (1) and (2)	888
(3)	new
(4)	2 (23)
422	585
423	586 and 587
424	576, 1017 (1), 1020 (5), 1021 (1) *(d)*, (2) and (3), (11), (13)–(18)
PART XIII	
425	604
426	606
427	644
428	645 and 714
429	629 and 662
430	630
431	new
432 (1) and (2)	631
(3)	new
(4)	new
433	633
PART XIV	
434	646
435	647, 648, 652 pt.
436	649
437	650
438	652 pt. and new
439	653 and 654
440	655 (1), (2), (4), 658 (3) and 659 (2)
441	658 (1), (2), (4) (5) and 782 (1)
442	660 (2), (3), 659 (1) and 664
443	660 (1)
444	660 (4) and (5)
445	661 (1), (2)
446	662 (4), (5), (6), 883, 977 and 941
447	662 (1), (2) and (3)

Clause No.	R.S.C. 1927, c. 36
	PART XV
448	667
449	668
450	796 and new
451	679, 680 and 681
452	new
453	682, 683, 684 (1) pt.
454	684 and 686 (1)
455	685
456	665 (2) and (3) and 666
457	678
458	669
459	670
460	687 and 690
461	692 and 694
462	695 (1)
463	697, 698, 700 and 702
464	699
465	701
	PART XVI
466 to 484	This Part is derived from Parts XVI and XVIII of the present Code. It is a complete revision of those Parts.
	PART XVII
485	5 (1) *(a)*
486	872
487	873 (1) — (3)
488	873 (4), 940 and new
489	873 (5), (6) and (7)
490	962
491	843, 844, 845 (1) and (2)
492	847 (1) pt. 852, 853, 855 (2)
493	855 (1)
494	861
495	862
496	863
497	859 and 860
498	865
499	856 pt.
500	854 and 891
501	856 pt., 857 and 858
502	849 (1) pt.
503	849 (1) pt., (2) pt., and 954
504	874 and 875
505	876
506	877
507	879
508	695 (2), 884, 885 and 887
509	886 (1)
510	845 (3), 847 (2), 889, 890, 893, 898
511	new
512	691, 894, 895 and 896
513	897
514	695 (3) and (4)
515	900, 901 (1) and (2)
516	905 (1) and 906
517	908
518	907
519	909
520	910
521	911
522	905 (2)
523	966
524	967
525	968
526	969
527	970

Clause No.	R.S.C. 1927, c. 36
528	916
529	918
530	919
531	920
532	914
533	915
534	921
535	923
536	924
537	899 (2)
538	925
539	926
540	927
541	933A, 927 (6)
542	932
543	933
544	937
545	938
546	934
547	935
548	936
549	930 and 931
550	928
551	939
552	929
553	929A
554	579, 945 (1), (2) and (6)
555	new
556	945 (3), (4), (5), 946 and 959
557	942 and 943 (1)
558 (1), (2), (3), (4) (5)	944 new
559	958
560	960
561	961
562	978
563	988
564	1001
565	984
566	1003 (2)
567	949
568	950
569	951 (1) and (2), 952
570	new
571	new
572	851, 963 and new
573	964
574	982
575	1004
576	1005
577	1008 and 1009
578	1010
579	1011
580	965
	PART XVIII
581	1012
582	1013 (3)
583	1013 (1) and (2)
584	1013 (2), (4) and (5)
585	1013 (6)
586	1018
587	1019
588	1020 (1) — (4)
589	1021 (1) and (8)
590	1021 (4)
591	1021 (10)
592	1013 (5) pt. 1014 (1) *(a)*, *(b)* and *(c)* (3) and (4) and 1016 (3) and (4)
593	1015
594	1018 (1) pt. 1021 (6) pt. and (7)
595	1017
596	1022 (2)
597	1023 (1) and (2) 1025 (1) pt.
598	1023 (3) and 1025 (1) pt.
599	1023 (4) and 1025 (2)
600	1024
601	new

Clause No.	R.S.C. 1927, c. 36
	PART XIX
602–619	This Part is derived from the following sections of the present Criminal Code: 604A, 655 (3), 663 pt., 671–677, 693, 711–713, 716, 788, 789, 841, 842, 971–976, 995–1000.
	PART XX
620	new
621	740, 746, 1028, 1029, 1035 (4), 1054, 1055
622	1035 (1) and (2)
623	1035 (3) and new
624	1054B
625	1035A
626	1036 and 1037
627	1038 and 1141
628	1048
629	1049
630	1050 and 795
631	1045
632	new
633	1052 (1)
634	1006 and 1056
635	new
636	704
637	748 (1), 1058 and 1059
638	1081
639	1083 and new
640	1026
641	1060
642	1062
643	1063
644	1064
645	1065, 1066 and 1067
646	1068
647	1069
648	1070
649	1072
650	1071
651	1073
652	1074
653	1075
654	159, 162 pt., 434 (3) and 1034
655	1076
656	1077
657	1080
658	1084 and 1085
	PART XXI
659	1054A (8) and 575A
660	575B and 575C (1)
661	1054A (1), (2), (3) and (5)
662	575C (3) and (4). 1054A (4)
663	575D
664	575F, 575G (1) and 1054A
665	575G (2) and (3)
666	575H and 1054A (7)
667	575E
	PART XXII
668–679	This Part comes from Part XXI of the present Code—1086-1119 and 886 (2).
	PART XXIII
680	new
681	1120
682	1121, 1122, 1129
683	1124
684	1125
685	1126

Clause No.	R.S.C. 1927, c. 36
686	1127
687	1128
688	1130
689	1131
690	new
691	new
	PART XXIV
692	705, 706, 707, 708 (5) and new
693 (1)	706
(2)	1142
694 (1)	1052 (2)
(2) and (3)	739
695	708 (1) and 710 pt.
696	710 pt. and new
697	708 (2), (3) and (4)
698	new
699	709 and 732
700	711
701	723
702	717
703	725
704	724
705	707
706	719
707	720
708	721
709	715 and 716 (1)
710	718 and 722
711	726
712	721A
713	727
714	728
715	730
716	735-738
717	748 (2) to (5)
718	new

Clause No.	R.S.C. 1927, c. 36
719 720	749 (1)
721	749 (1)
722	750 *(b)*
723	new
724	750 *(c)*
725 (1)	750 *(g)*
(2)	757 (2)
726 (1)	757 (1)
(2) and (3)	new
727	753 754 and new
728	751 (3)
729	760 pt.
730	755 (1) pt. and 760 pt.
731 (1)	758
(2)	751 (2)
(3)	759 (1)
(4)	759 (2)
732	754 (2) and (3) 756 and 757 (4)
733	705 *(e)*
734	761
735	762 (1), (2) and (3)
736	762 (4) and (5)
737	763
738	764
739	768
740	765 and 766
741	767
742	769
743	769A
744	770
745	new
746	new
747	new
748	1152

CRIMINAL CODE REVISION

APPENDIX C

The purpose of this Appendix is to indicate what matters are dealt with in the various Parts.

PART I

(Clauses 1-45)

General

Application of the Code and the extent to which the Law of England and especially the Common Law is retained—Parties to offences—Matters of justification or excuse—Protection of persons administering the Criminal Law—Defence of person or property—Protection of persons in authority.

PART II

(Clauses 46-98)

Offences Against Public Order

Treason and treasonable offences—Offences relating to passports—Sedition—Unlawful assembly and riots—Unlawful drilling—Forcible entry and detainer—Piracy—Offences relating to dangerous substances—Prize fights—Offensive weapons.

PART III

(Clauses 99-129)

Offences Against the Administration of Law and Justice

Judicial corruption—Bribery of officers enforcing the Criminal Law—Corruption in connection with government contracts and public offices—Municipal corruption—Obstructing justice—Perjury—False oaths and fabrication of evidence—Escapes and rescues—Public mischief.

PART IV

(Clauses 130-167)

Sexual Offences, Public Morals and Disorderly Conduct

Rape—Carnal knowledge—Indecent assaults—Seduction—Acts of gross indecency—Incest—Printing or publishing obscene matter and crime comics—Permitting defilement—Disorderly conduct—Vagrancy—Disturbing religious services—Nuisances.

PART V

(Clauses 168-184)

Disorderly Houses, Gaming and Betting

Betting houses—Gaming houses—Gaming in public conveyances—Pool selling and book-making—Lotteries—Cheating at play—Bawdy houses—Procuring—Search of disorderly houses.

PART VI

(Clauses 185-267)

Offences against the person and reputation

Duties tending to preservation of life—Criminal negligence—Murder—Manslaughter—Infanticide—Concealment of birth—Suicide—Causing bodily harm—Omissions causing danger to persons—Drunken driving—Driving while faculties impaired—Assaults—Kidnapping and abduction—Abortion—Offences against conjugal rights—Blasphemous libel—Defamatory libel.

PART VII

(Clauses 268-321)

Offences against rights of property

Theft—Offences resembling theft—Criminal breach of trust—Robbery—Extortion—Breaking and entering—Receiving and retaining—False pretences—Witchcraft—Forgery and uttering—Offences resembling forgery—Threats.

PART VIII

(Clauses 322-369)

Fraudulent Transactions Relating to Contracts and Trade

Defrauding individuals or the public—Using the mails to defraud—Stock market frauds—Frauds in respect of title to property—Frauds on creditors—Falsification of books of account, public registers and documents—Personation—Forgery of trade marks—False trade description of goods—Secreting wreck—Offences relating to public stores—Offences relating to breach of contract—Intimidation—Secret commissions—Trading stamps.

PART IX

(Clauses 370-390)

Wilful and Forbidden Acts in respect of Certain Property

Wilful damage to property—Rendering property dangerous—Obstructing use of property—Arson and other fires—False alarms of fire—Interference with signals and boundary marks—Cruelty to animals.

PART X

(Clauses 391-405)

Offences Relating to the Currency

Counterfeiting—Possession of counterfeit money—Uttering counterfeit money—Defacing or impairing coins—making or possessing instruments for counterfeiting—Advertising or trafficking in counterfeit money or counterfeit tokens of value—Forfeiture of counterfeit money and instruments for counterfeiting.

PART XI

(Clauses 406-412)

Attempts, Conspiracies, Accessories

Attempts not otherwise provided for—Accessories after the fact—Counselling or inciting—Conspiracy to murder—Conspiracy to bring false accusation—Conspiracy to defile—Conspiracy at Common Law—Conspiracy to commit indictable—Conspiracy in restraint of trade—Discrimination in trade.

PART XII

(Clauses 413-424)

Jurisdiction

Offences triable by superior courts—Offences triable by courts of criminal jurisdiction—Special provisions regarding trade conspiracies and trials in Alberta—Jurisdiction over the person—Territorial jurisdiction—Extra-territorial jurisdiction—Rules of court.

PART XIII

(Clauses 425-433)

Special Procedure and Powers

Preserving order in courts—Trial of Juveniles to be without publicity—Search warrants—Seizure—Detention and disposal of things seized.

PART XIV

(Clauses 434-448)

Compelling Attendance of an Accused Before Justices

Arrest without warrant—Laying informations—Issuance of summons or warrants—Execution of warrant—Service of summons—Procuring attendance of a person who is in prison—Endorsement of warrants.

PART XV

(Clauses 449-465)

Procedure on Preliminary Inquiry

Jurisdiction of Justices—Remand to magistrate in cases where magistrate has absolute jurisdiction—Election before Justice—Powers of Justices on inquiry—Bail before committal for trial—Adjournment—Remand for observation as to mental condition—Taking evidence of witnesses—Right of accused to call evidence—Committal of witness refusing to be sworn or to testify—Committal for trial—Bail after committal for trial.

PART XVI

(Clauses 466-484)

Indictable Offences—Trial Without Jury

Absolute jurisdiction of magistrates—Jurisdiction of magistrates with consent—Jurisdiction of judges with consent—Electing mode of trial—Right of accused to re-elect trial without jury—Preferring indictment—Power to require trial by jury—Procedure where accused is a corporation.

PART XVII

(Clauses 485-580)

Indictable Offences—Trial by Jury

Preferring indictments—Contents of counts—Particulars—Joinder and severance of counts—Joinder of offences—Procedure before grand jury—Change of venue—Amendment of indictment—Inspection of documents—Pleas—Trial of issue of insanity—Safe custody of persons found insane—Procedure where accused is a corporation—Qualification of jurors—Mixed juries—Challenge to array—Empanelling jury—Challenging jurors—Trial—Rights of accused at trial—Evidence—Previous convictions—Verdicts—Imposition of sentence—Saving clauses.

PART XVIII

(Clauses 581-601)

Appeals: Indictable Offences

Right of appeal to provincial court of appeal—Notice of appeal—Judge's report—Power of court to order production of documents and to call witnesses—Powers of court on hearing of appeal—Power of Minister of Justice to order new trial or refer question to court of appeal—Right of appeal to supreme court of Canada—Powers of that court on hearing of appeal—Judgment final—Right of appeal of Attorney-General of Canada.

PART XIX

(Clauses 602-619)

Procuring Attendance of Witnesses

Subpoena or warrant—How issued—Execution or service—Effect—Procedure where witness absconds or makes default—Evidence on commission—Use of evidence previously taken.

PART XX

(Clauses 620-658)

Punishments, Fines, Forfeitures and Restitution of Property

Punishment in discretion of court—Cumulative punishments—Fines in lieu of or in addition to imprisonment—Punishment of corporations—Commencement of sentences—Part payment of fines—Who is to receive fines—Actions to recover penalties—Compensation and restitution of property—Where sentence of imprisonment to be served—Suspended sentence and binding over to keep the peace—Whipping—Capital punishment—Disabilities arising from sentence—Pardon and Commutation—Remission by Governor in Council.

PART XXI

(Clauses 659-667)

Preventive Detention

Habitual offenders—Criminal sexual psychopaths—Application for sentence of preventive detention—Procedure on application—Where sentences to be served—Periodic review by Minister of Justice—Appeal by accused or Attorney General.

PART XXII

(Clauses 668-679 and Schedule)

Effect and Enforcement of Recognizance

Responsibility of sureties—Duration of recognizances—Render of principal by sureties—Endorsement of default under recognizance—Procedure for forfeiture after default—Issue of writ of fieri facias—Committal of sureties when writ not satisfied—Remedial provision enabling release of sureties—Schedule of courts exercising powers under this part.

PART XXIII

(Clauses 680-691)

Extraordinary Remedies

Habeas Corpus—Appeal instead of successive applications—Certiorari—When it lies—Power of court on application—Mandamus—Prohibition—Appeal.

PART XXIV

(Clauses 692-744)

Procedure in Summary Conviction Matters

Proceedings to be commenced by information—Issuance of process—Inclusion of more than one matter of complaint—Amendment of information—Severance of counts—Adjournment—Right to make full answer and Defence—Bail—Trial—Adjudication—Penalty—Enforcing adjudication—Costs—Sureties to keep the peace—Appeal against conviction or sentence—Procedure on appeal—Appeal to be on evidence at trial—Powers of court on appeal—Security by appellant to prosecute appeal—Stated case—Procedure—Powers of court hearing stated case—Appeal to court of appeal in certain cases—Fees and allowances.

PART XXV

(Clauses 745-747)

Transitional

Repeal—Transitional—Coming into force.

PART XXV

(Clause 748)

Forms

THE SENATE

Thursday, May 15, 1952

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill J-8, an Act for the relief of William Wallace Watson.

Bill K-8, an Act for the relief of Russell James Barrett.

Bill L-8, an Act for the relief of Alice Sabria O'Connor Muskett.

Bill M-8, an Act for the relief of Julia Emma Pearl Sager Noiseux.

Bill N-8, an Act for the relief of David Gilmore Bennett.

Bill O-8, an Act for the relief of Kathleen Hilda Turk Woodall.

Bill P-8, an Act for the relief of Mary Elizabeth Cate Lowe.

Bill Q-8, an Act for the relief of Aldea Gendreau Bourbonnais.

Bill R-8, an Act for the relief of Peter Ernest Walker.

Bill S-8, an Act for the relief of Dorothy Agnes Kearns Bradley.

Bill T-8, an Act for the relief of Sarah Bernstein Smith.

Bill U-8, an Act for the relief of Margaret Gladys Redman Glassco.

Bill V-8, an Act for the relief of Louise Joslyn Smith Harvey-Jellie.

Bill W-8, an Act for the relief of Bertha Naujoks Stehr.

Bill X-8, an Act for the relief of Margit Aloisia Payer Worontschak.

The bills were read the first time.

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

Hon. Mr. Aseltine: Next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Nicol presented the report of the Standing Committee on Banking and Commerce on Bill V-6, an Act to incorporate the Great Eastern Insurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill V-6, an Act to incorporate the Great Eastern Insurance Company, have in obedience to the order of reference of May 6, 1952, examined the said bill and now beg leave to report the same without any amendment.

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

Hon. Mr. Dupuis: Next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Nicol presented the report of the Standing Committee on Banking and Commerce on Bill D-7, an Act respecting the Economical Mutual Fire Insurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill D-7, an Act respecting the Economical Mutual Fire Insurance have in obedience to the order of reference of May 7, 1952, examined the said bill and now beg leave to report the same without any amendment.

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

Hon. Mr. Euler: Next Tuesday.

PRIVATE BILL

THIRD READING

Hon. S. S. McKeen moved the third reading of Bill R-6, an Act respecting the Burrard Inlet Tunnel and Bridge Company.

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

PRIVATE BILL

THIRD READING

Hon. Mr. Duffus moved the third reading of Bill E-7, an Act respecting the Sisters of Charity of the House of Providence.

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

PRIVATE BILL

THIRD READING

Hon. Mr. Fogo moved the third reading of Bill G-7, an Act respecting a certain patent application of the Garrett Corporation.

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

CRIMINAL CODE BILL

SECOND READING

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

Robertson for the second reading of Bill H-8, an Act respecting the Criminal Law.

Hon. A. W. Roebuck: Honourable senators, when I was speaking on this debate yesterday, and before the interruption, I was pointing out that the substantive law was not affected by the commission's order of reference; that what was discussed by the commissioners was more the phraseology in which the criminal law is expressed than the substance of the law itself, a task that in my judgment was long overdue.

The Criminal Code was drawn, not by one author, but by many. It came in the first instance from a report to the British House of Commons, which was not adopted by that house; and it did not become law in Great Britain, although it did here. Year after year it has been amended and revamped in part, but never in whole. So the time finally came when a big job had to be done; the remodelling of the statement of criminal law.

Although it is the expression of the law with which we are now concerned, in the very nature of things the substance of law also arises, in two ways. In the first instance, no two words in the English language mean exactly the same thing; so if the phraseology is changed, the thought is also changed. Secondly, we are asked to re-enact the law in its new dress. Therefore, for two reasons, the substance of the law—the whole Code—is to be passed upon by this house. In consequence, I submit, this is a serious matter which should receive the maximum of care.

The commissioners themselves admit that in some respects they have altered and revised the substance of the Criminal Code. For instance, they have abolished common law offences—and for that I give them credit. True, there were very few such offences still in existence, and it was seldom that charges under the common law were laid in our courts. How many offences under the common law had not been included in the Criminal Code, I for one do not know. Others in the house may have seen a consolidation or even a treatise on what was left out of the criminal law, but I never have. So it seems to me in view of the ancient legal principle that ignorance of the law is no excuse, and that citizens are expected to know the law and observe it, the least we can do is to have an authoritative statement of what it is. To me it is silly and ridiculous that citizens of Canada should be called upon to search the ancient texts of English courts in order to find out what is prohibited in our own country. The commissioners have removed any possibility of a charge being laid in Canada for the commission of an offence prohibited by English common law. Only those offences that are to be found in the Criminal Code may be charged in Canadian courts under the title of criminal law. For that, I take it, the commissioners are certainly to be congratulated.

There have been a number of other important changes, more than I can discuss today. For instance, it was the desire of the commissioners to abolish minimum penalties. With that purpose, too, I have a great deal of sympathy. I never liked this hog-tying of magistrates and judges in the matter of punishment by making the penalty automatic upon conviction and stating its amount, so that a magistrate could give more but could not give less. The result, of course, has been that men whom magistrates, judges and juries did not wish to punish were not convicted. I myself have seen the criminal law evaded through the refusal of juries to convict before a judge whom they thought was unduly severe; and so an inaccurate decision was given in order to correct what the jury felt was wrong. In the matter of these minimum penalties, the responsibility is not with the magistrate but with parliament; so a magistrate, faced with the facts, is likely to make his finding in accordance with the penalty attached to it, because he cannot proportion the penalty to the proper finding. The commission has decided to abolish that restriction and leave the matter of sentence in the hands of the magistrate or the judge.

I notice, however, that the minister says he has not wholly followed the advice of the commissioners in this regard; and there is something to be said for his point of view. When a young offender comes before the court for a first offence, the thought is uppermost that he may not have fully realized the gravity and the consequences of his act, and that, having come to realize them, he may never repeat the offence. But that can hardly be argued in favour of the man who drives when in a drunken state or when his ability to drive has been so affected that he endangers the lives of his fellow citizens, because the admonition "if you drive, don't drink; if you drink don't drive" has been too frequently repeated for anybody in this country now to plead ignorance of the dangers and the wrong of driving a motor-car when efficiency is affected. Furthermore, the temptation of magistrates to be lenient when citizens, otherwise respectable, come before them, is very great. So there is a good deal of support for what the minister said here, that the minimum penalties for drunk driving have not been abolished.

I am not so sure that I go with the minister in the matter of offences against the Post Office. There is a tendency among departments of government to make themselves sacrosanct, a fourth estate somewhat different from ordinary men; and so you have special

provisions in the Code relating to theft from the Post Office. I suppose that could be justified as regards an employee of that department whose duty it is to sort mail. There is upon him some special obligation, *uberrimae fidei*, with respect to the mail which he is handling, and perhaps special penalties might well be meted out to one who is in a position of trust of that kind who steals from the Post Office. But the provisions, as I see them, are very general. On the boulevard in front of my house in Toronto there is a box, put there by the Post Office for the purpose of assisting postal employees in the sorting of the mail of the locality. This box is not on my property, but on city property right in front of my house. Each day Post Office employees put mail in that box and take mail from it, and frequently I see, lying beside it, bags designed for the carrying of mail. These bags are left unguarded, and anybody could take them away. If some person assumed that the bags had been abandoned by the Post Office, and carried them away, I suppose the magistrate would have to send that person to jail, willy-nilly, if he determined that the bags had been taken intentionally, and it was a case of theft. I would not go that far. But this is a matter for discussion in committee.

I wish to congratulate the commissioners on their boldness and common sense in at last furnishing a definition of sedition. In the present code sedition is defined in these words: "Seditious words are words that express a seditious intention."

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: There is no definition of a seditious intention, so you are just like a little kitten chasing its tail in a circle. Parliaments and ministers in the past have shied away from the difficult task of defining the offence of sedition or of stating what sedition is. In his address to this house on Monday last, the Minister of Justice pointed out the difficulty of condensing in two or three sentences what constitutes "seditious intention" as laid down in the reasons for judgment in which the definitions are to be found. Once again let me point out that ignorance of the law is no excuse, and that the obligation to do this difficult thing, which ministers of justice say they cannot do, therefore rests upon the shoulders of the ordinary citizen. And if he is charged with a seditious offence he finds that it is no excuse for him to say that the law-givers of the dominion had been so loose in their expression of the law that he did not know what the law was. I say that if it is the duty of anybody to find out what the law of sedition is, it is the duty of parliament. The commissioners have been bold enough to actually put into the Code for the first time a readable definition of the offence. At the moment I think it is also a sensible definition, but I reserve judgment on this until we have read it more carefully in committee.

Hon. Mr. Vien: Have you got the wording?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Vien: I do not want to interrupt.

Hon. Mr. Roebuck: That is perfectly all right. It is section 60, and it reads.

(1) Seditious words are words that express a seditious intention.

(2) A seditious libel is a libel that expresses a seditious intention.

(3) A seditious conspiracy is an agreement between two or more persons to carry out a seditious intention.

(4) Without limiting the generality of the meaning of the expression "seditious intention," every one shall be presumed to have a seditious intention who

(a) teaches or advocates, or

(b) publishes or circulates any writing that advocates, the use, without the authority of law, of force as a means of accomplishing a governmental change within Canada.

Anybody can understand that.

(5) Notwithstanding subsection (4), no person shall be deemed to have a seditious intention by reason only that he intends, in good faith,

(a) to show that Her Majesty has been misled or mistaken in her measures,

(b) to point out errors or defects in

(i) the government or constitution of Canada or a province,

(ii) the Parliament of Canada or the legislature of a province, or

(iii) the administration of justice in Canada,

(c) to procure, by lawful means, the alteration of any matter of government in Canada, or

(d) to point out, for the purpose of removal, matters that produce or tend to produce feelings of hostility and ill-will between different classes of persons in Canada.

Section 61 reads:

61. Every one who

(a) speaks seditious words,

(b) publishes a seditious libel, or

(c) is a party to a seditious conspiracy, is guilty of an indictable offence and is liable to imprisonment for fourteen years.

Thus, honourable senators, in a very short paragraph which has taken me only a moment to read, we find the whole law of sedition except, of course, as the words are defined by the judges in written judgments. Lawyers will still have plenty to study, but the substance of the law itself is all there. I repeat that I give these commissioners credit for their boldness and common sense in drafting that section.

I am not so sure, however, about their wisdom in dealing with treason. A section has been added to the Code, which to my mind is very doubtful. It is section 46.

46(1) Everyone commits treason who, in Canada,

(c) assists an enemy at war with Canada, or any armed forces against whom Canadian forces are

engaged in hostilities whether or not a state of war exists between Canada and the country whose forces they are.

I saw in *Saturday Night* of May 31 an editorial which expresses my view rather well. It says:

. . . the extreme uncertainty and obscurity of the new definition of treason (a crime punishable by death) which makes it cover, not merely assistance to an "enemy," but also assistance to "any armed forces against whom Canadian forces are engaged in hostilities whether or not a state of war exists." The existence of a state of war, and consequently of a defined enemy, is a matter of proclamation; the Queen tells her Canadian subjects to whom they may not lend assistance and when such assistance becomes treasonable. No such official action is necessary to turn a legitimate action into treason when the test is merely that the action benefits any armed forces against whom Canadian forces are engaged in hostilities.

Incidentally, this removal of the distinction between "hostilities" and "war" abolishes at one sweep all the "laws of war" as they have developed over the centuries, and creates a new situation to which no precedents or treaties concerning war have any application. Among other things, it is not necessary that the Canadian forces in question should have been ordered into hostilities by any action of the Canadian government; they may have been plunged into them by the commander of an allied but alien army. It may be treason to aid an armed force which the Canadian government does not even know is "engaged in hostilities" against our forces, for the amended Code says nothing about any action by the Canadian government whatever.

It seems to me that in going so far we are taking a reckless step. The citizens of Canada should know what alien forces it is treasonable to aid. There should be some sort of proclamation before the highest offence known to the criminal law becomes chargeable against a citizen. Aside from that, of course anybody who assists the armed forces of a nation with whom Canada is at war is guilty of treason and I have no objection to the part of the Code which deals with that definite offence. My only objection is to the indefiniteness of the offence provided for in the paragraph that I read.

Honourable senators may remember that not long ago there was an amendment to the Criminal Code with respect to the Royal Canadian Mounted Police, whereby that force was made a police force apart from all other police forces in this country. I understand that amendment has been carried into the new Code. The ordinary municipal or provincial police is a civilian, not a military force. In days gone by the R.C.M.P. also has been considered a civilian force. For that reason it has been usable at times in connection with strikes and civilian disturbances where it could not have been used had it been a military force. Yet by this Code we are applying to the R.C.M.P. the provisions dealing with such things as failure to obey a commanding officer, and desertion—of all things, desertion from a police force!—and we have even gone so far as to make it an offence on the part of anyone to harbour a member of the R.C.M.P. who deserts or is absent without leave. Those provisions might be all right for a military force, but I do not like to see them applied to a civilian force.

The *Saturday Night* editorial from which I have already quoted has a paragraph on this subject, too, that I think is worth reading:

The ancient and invaluable distinction between the police forces and the armed forces of the nation are abolished by amendments which place the R.C.M.P. on exactly the same footing as the armed forces, making it as grave an offence to counsel refusal of duty by a member of the R.C.M.P. as by a soldier, sailor or airman. The R.C.M.P. is a civilian force. For that reason and that reason alone, it has been possible to use it for many purposes for which a military force would be most unsuitable, including the preservation of order during strikes. If it is to be treated as a military force in this respect it should be turned into a military force, and it should be withdrawn from police work.

That expresses my sentiment. I have every respect for the R.C.M.P., and I do not wish my words to be understood as critical of the force at all. I am critical of the law which we are enacting as applied to the R.C.M.P.

Then, by way of congratulation to the commissioners, I wish to mention their statement with regard to magistrates.

Hon. Mr. Farris: I am sorry, I did not hear that. The statement is with regard to what?

Hon. Mr. Roebuck: Magistrates—a class of officials with whom my friend from Vancouver-South (Hon. Mr. Farris) and I have had something to do in the past. The commissioners say, beginning at the bottom of page 12 of their report:

Under the proposed procedure the special jurisdiction conferred upon magistrates will be exercised only by those who are expressly appointed for that purpose. The requirement that magistrates must be expressly appointed to exercise jurisdiction under the Part is inserted in the expectation that the provinces will designate only qualified persons. The following is the definition of "magistrate":

"'magistrate' means a person appointed under the law of the province, by whatever title he may be designated, who is specially authorized by the terms of his appointment to exercise the jurisdiction conferred upon a magistrate by this Part, but does not include two or more justices of the peace sitting together."

I may say, incidentally, that there is provision whereby the jurisdiction of the magistrate may be somewhat enlarged, but I am glad to note that this cannot be done without the consent of the accused. Under the new Code the magistrate may try offences that he could not try under the present Code, but he may do so only with the consent of the accused, so in this regard there is no trespass upon the ancient protections that have been thrown around an accused person. But now

that the jurisdiction of a magistrate is enlarged, the requirement that magistrates must be expressly appointed to exercise jurisdiction is a most salutary one. When I took office as Attorney General of Ontario I found a great many magistrates who had had no legal training whatever, each of whom sat in his little jurisdiction as a sort of Crown Prince of the locality, and was paid by fees. One of my first official acts was to fire a considerable number of them—I think it was 89—by one order in Council, divide the territory up into sections, and appoint one, two or three itinerary magistrates for every section. It was a most beneficial change, but I encountered considerable difficulty because of my determination not to appoint to the Bench any one who was not qualified for it. Although I had many battles over this question, during my term of office, I made no appointment of a magistrate who was not a lawyer.

Hon. Mr. Beaubien: Why?

Hon. Mr. Roebuck: Because the administration of law requires the knowledge of a lawyer.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Roebuck: While there are some laymen who by diligence and special aptitudes, and by opportunity, perhaps, know more about law than some lawyers, I think the general rule may be laid down—with which even laymen will agree—that the man who goes to college to learn law, and spends some years in the practice of it, is surely a specialist in law. And as we have an administration of law, certainly we want persons administering it who know what they are talking about, and to whom other lawyers may address their remarks with a certain amount of deference, knowing that the occupant of the Bench has gone through the same experiences and studies as they have themselves.

However, the Code does not require that only lawyers be appointed to such positions. I am only reminiscing when I tell you that when I had the responsibility and the authority I appointed nobody except lawyers to the Bench. I may add that my successors in office followed that example, and with very few exceptions—certainly not in the crowded centres—have magistrates been appointed who were not lawyers. In my opinion it is as necessary to have an informed magistrate as it is to have an informed judge. Indeed, I have always felt that the most important courts in Canada are not the appeal courts, which deal with civil cases involving millions of dollars, but the police courts, which deal in human lives. A decision from such a court may, on the one hand, be tragic; or on the other hand it may be beneficent. A magistrate's judgment may mean happiness or reform, or be great benefit to the public generally. Therefore, I think it is as important to have a trained magistrate as it is to have a trained judge of the County Court or of the Supreme Court.

My remarks, honourable senators, have been sketchy. This measure came into our hands only recently, and I am impressed with the thought that it should be studied clause by clause in one of our committees. Indeed, it is almost impossible to do otherwise. The measure is long and detailed; almost every section has a background; and we shall require the explanations of the Department of Justice and those who have been engaged in the drafting of the bill to inform us of the reasons for the changes. Only then will we appreciate what changes are proposed, and the reasons for them. It will consume a good deal of time to consider this measure step by step, but it will be worth while.

I recall that when the combined Code affecting the three armed forces was considered in this house it was referred—I think to the Banking and Commerce Committee—and a number of my fellow senators and I sat in consideration of it for some days. We made no less than eighty-three amendments to the draft bill, all of them with the consent of those persons who prepared it. That indicates that they were impressed by the logic of our approach to the subject. I think we can handle this bill in much the same way. True, it may not be necessary to make as many as eighty-three amendments, for I believe that many of the sections will be carried almost on the reading of them. Nevertheless, a great deal of care is required, for when this bill leaves the house with the sanction of the committee that has studied it, it will be received with respect in another place.

I am prepared, honourable senators, to vote for second reading of the bill, notwithstanding some difficulties which I and others have encountered in approaching it, and the lack of copies of the measure and the documents supporting it. The bill, I think, should receive second reading as soon as possible. In saying that I do not mean to cut off anybody else who wishes to speak; but let us give it second reading as soon as possible and devote ourselves to an inch-by-inch study of its provisions in committee.

Some Hon. Senators: Hear, hear.

Hon. Mr. Vien: Honourable senators, notwithstanding the diligent efforts that have been made to have an adequate number of copies of this measure placed in our hands today, we are now under the same disability as we were yesterday.

I agree with the suggestion of the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck), that the bill should not be delayed in going to committee. However, under the circumstances, I think the honourable leader of the government should give us some assurance that in having agreed to second reading we are not necessarily committed to the principle of the bill. With that provision, I do not object to the bill now being read a second time and referred to committee.

Hon. Mr. Roebuck: May I have the indulgence of the house to add a word? If we now give the bill second reading, Mr. Speaker will take note, and all honourable senators will observe, that we are doing so without sufficient knowledge of the measure, so that when it comes back to the house for third reading no rules will be pleaded against us to prevent a thorough discussion at that time.

Hon. Mr. Vien: That would apply not only to the bill in the third reading stage but also while it is in committee. The rule is that second reading having been given to a bill, it has been adopted in principle, and we should then address ourselves to it clause by clause. Assurance should be given that we will not be precluded in committee from discussing the principle of the bill.

Hon. Mr. Robertson: Honourable senators, I am entirely in agreement with what has been said as to the lack of facilities for the proper consideration of this bill on second reading, and I now give assurance that I shall do everything in my power to see that full opportunity is given for adequate consideration of the measure. This is a large and an important bill, and I realize how necessary it is that every opportunity should be given for the examination of it in committee, and for further and perhaps a more enlightened discussion of it on third reading.

Some honourable senators may recall that before the introduction of the bill there was some suggestion that we might follow the precedent established in 1914 when the Railway Act was considered, and that, in moving the bill to committee, I might extend to the other place an invitation to have some of its members join with us in considering the measure. I would have been embarrassed had that suggestion been pressed, for I do not think any particular benefit would have accrued; but after some discussion it was dropped. It would seem that our committee could proceed more rapidly with its work if it did not have to wait from time to time on the convenience of others. However, it is quite possible that members from the other place and other interested parties would appreciate the opportunity of knowing something of the background of the circumstances connected with the matters under discussion, and our records should be available to those who wish to see them.

I take it that the greater part of the bill will be adopted without much discussion, but on certain specific matters some debate is likely to arise. So not only would I not oppose reference to committee, but I would facilitate it and indeed urge it. By this course a considerable amount of information will be forthcoming which may be useful to members in the other place, particularly if, because of the pressure of other business, the bill comes before them late in the session. In this way we might turn the other cheek and set a good example, because sometimes bills are received by us late in the session and we have to deal with them without the benefit of any great amount of discussion in the other house.

Hon. A. Marcotte: I was of course, very much interested in the address of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I understand that by voting for the second reading we are not committed to the bill as it stands. It has been stated more than once in this chamber that our giving of second reading to a bill does not mean that we are obligated to adopt it until we have had more enlightenment on the subject-matter.

I should like to know whether the committee to whom the bill is to be referred will have the right to call people before it to give their opinions on these amendments? This is one of the most important measures with which we have ever had to deal. It is not a matter of conferring more or less ordinary powers; the bill deals with human rights and affects human liberties; under its provisions persons can be sent to jails, to reformatories, or otherwise dealt with. This morning I received a letter from a lawyer in Montreal who has long been interested in criminal justice. He said he thought that he and others who were like-minded should have the right to be heard. I ask that the committee shall have the power to send for people or to receive the views of those who want to appear before it.

Hon. Mr. Robertson: I doubt whether anything I say or refrain from saying will clothe the committee with more or less power than it now has. My understanding is that when legislation is referred to any of our standing committees, it is for that committee to decide whether it shall exercise any or all of the powers vested in it; and if it requires extra powers, the proper procedure, I suppose, would be to ask the Senate for

them. But it is my impression that the committee of its own volition can do what the honourable senator has suggested.

Hon. Mr. Vien: Those powers are given to all standing committees when they are created, at the beginning of the session.

Hon. Mr. Robertson: I think so. Certainly I would not seek to limit their powers by any statement of mine.

Hon. Mr. Vien: When the bill is sent to committee it will probably be desirable—though that is for the committee to determine—that a record be taken, in view of the fact that this measure was introduced in the Senate.

Hon. Mr. Hugessen: May I offer one observation on the discussion that has taken place? It seems to me that the only principle for which we are voting when we vote for the second reading of this bill is that the Criminal Code of Canada be recodified; and that leaves us completely free to discuss and suggest amendments of any one section. If that is the understanding, I do not see why any honourable member could have any objection to approving second reading at this time.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: I move that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Roebuck: In that connection may I make a suggestion to the leader? There is no index in the bill. To be properly studied, it needs an index. I am sure that one must have been prepared. Am I right?

Hon. Mr. Hugessen: I think that for a bill of this kind it is not the practice to have an index when it is first introduced, but that when it is finally published an index is prepared in conjunction with it. I do not think an index is properly part of a bill when it is introduced.

Hon. Mr. Roebuck: No, I did not mean that. What I say is that we should be provided with an index in the committee when we are studying this bill. No doubt an index has been prepared. I know that it is not usually included in a bill, but there is no earthly reason why the officers could not produce one and give each of us a copy. My suggestion is that the leader intimate to them that we would like an index.

Hon. Mr. Robertson: It is my impression that the minister, whether publicly or privately, mentioned the preparation of an index, though it may not be the kind to which my honourable friend refers. I understand that the department is preparing a list of the sections which have been changed, and so on.

Hon. Mr. Haig: We have that now. I think the honourable senator from Inkerman (Hon. Mr. Hugessen) was correct. We already have, in the report of the commissioners, a table of the sections of the present Code and what has been done with them. My memory on these matters is that the indexes are never prepared until after the bills are passed by parliament. I think that was the case in connection with the Bankruptcy Act. It is quite possible that in committee we may accept the suggestion of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), and that would necessitate a change in the proposed definition in the bill before us. Further, the Senate may take action to strike out some clauses and to restore others that are in the present Code. I think we would run into trouble here with an index.

Hon. Mr. Robertson: Honourable senators, I hope to have this bill before our committee next Tuesday morning. If my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) would give me a memorandum later this afternoon as to exactly what he has in mind, I shall refer it to the Minister of Justice.

The motion was agreed to.

INDUSTRIAL DEVELOPMENT BANK BILL

FIRST READING

Hon. Mr. Robertson presented Bill Y-8, an Act to amend the Industrial Development Bank Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Monday next.

NATIONAL RAILWAYS AUDITORS BILL

ANSWER TO INQUIRIES

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, on the motion to adjourn, may I answer three questions which were asked on the second reading of the National Railways Auditors

Bill by the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), who is not in his seat at the moment? His questions were as follows:

1. What is represented by the item in the auditors' report to parliament of $23,347,000 shown as interest due to the government? How is that amount made up; over what period does it extend, and what further information can he give us about it?
2. What is the sterling currency rate of exchange shown at the former par figure of $4.86⅔ to the pound?
3. Do the auditors ever make recommendations such as are made by the Auditor General of Canada in respect to measures of savings?

The answers to the questions of the honourable senators are these:

1. The $23,347,000 represent interest accrued in 1951 and payable to the government of Canada on government loans to the Canadian National Railways. The total government loans to the Railway outstanding at December 31st, 1951 amounted to $857,573,774. The various loans making up this amount, together with interest rates thereon, are exhibited on Page 32 of the Canadian National Railways' Annual Report for the calendar year 1951.

2. The use of the conversion rate of $4.86⅔ to the pound is consistent with previous years practice and it is not considered that a useful purpose would be served by adjusting sterling rates of exchange year by year.

This is not a matter of great importance as the sterling securities held in the several funds are Canadian National Railways' securities and are offset by the Canadian National Railways' funded debt.

3. The audit comprises an examination to test the correctness of accounts covering the income and balance sheet accounts of the Canadian National Railway System to see that revenue and expenditures for capital and operating are properly treated. The auditors have, on several occasions, made recommendations of savings that would be effected by a reduction in the fixed charges of the railway.

The Senate adjourned until Monday, May 19, at 8 p.m.

THE SENATE

Monday, May 19, 1952

The Senate met at 8 p.m., the Acting Speaker (Hon. J. H. King, P.C.) in the Chair.

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAY (TERRACE TO KITIMAT) BILL

FIRST READING

A message was received from the House of Commons with Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia.

The bill was read the first time.

NEW WESTMINSTER HARBOUR COMMISSIONERS BILL

FIRST READING

A message was received from the House of Commons with Bill 193, an Act respecting the New Westminster Harbour Commissioners Bill.

The bill was read the first time.

PRIVATE BILL

THIRD READING

Hon. Mr. Beaubien (on behalf of Hon. Mr. Dupuis) moved the third reading of Bill V-6 an Act to incorporate the Great Eastern Insurance Company.

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

PRIVATE BILL

THIRD READING

Hon. Mr. Beaubien (on behalf of Hon. Mr. Euler) moved the third reading of Bill D-7, an Act respecting the Economical Mutual Fire Insurance Company.

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

INDUSTRIAL DEVELOPMENT BANK BILL

SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill Y-8, an Act to amend the Industrial Development Bank Act.

He said: Honourable senators, the Industrial Development Bank Act was passed in the year 1944 for the purpose of encouraging industrial development. Under the presidency of Graham Towers, the organization has been closely associated with the Bank of Canada. In considering the granting of loans, certain special needs came to the notice of the officers. They wanted to develop industries which would add to the general welfare of the public, industries which would expand the wealth of the country, and, especially, industries which might be needed for purposes of defence. They would make loans only to obtain funds through the ordinary channels. That is, they would make loans which the chartered banks and the insurance companies would not make and which might involve risks that no private investor would take. As a natural consequence, more than normal risk attached to these loans, but in spite of this, losses during the eight years have been very light indeed. I tried to find out from the Bank of Canada the total amount of the losses, but I could get no more precise information than that the losses had been very small, probably because our economy during this time had been in a flourishing condition and the recipients of the loans had been carefully selected.

Subparagraph (a) of section 15 of the Industrial Development Bank Act provides that under certain conditions a person who is engaged or about to engage in an industrial enterprise may get a loan. It is proposed in this amending bill that a person who is engaged in an industrial enterprise "or commercial air service" may apply for a loan and receive consideration. That is, it is desired to obtain authority to lend money to persons carrying on a commercial air service.

Why is this necessary? The reason is that, in addition to Trans-Canada Airways and the Canadian Pacific Railway Air Service, there are in Canada about one hundred air transport companies operating multi-engine or large single-engine planes and carrying on an essential work, a work which is felt to be in the national interest. These companies started in business soon after the close of World War II, when they were able to obtain planes which had been built as war service aircraft. With the passing of time, replacements have become necessary and money is required for that purpose. As I have said, it is in the national interest to keep these companies operating, and it is certainly in the public interest to ensure that they are efficient, high-class and reliable. That is why this authority is asked for.

When the original bill was passed the loans were divided into two classes, those of less than $200,000 and those of more than $200,000. There are outstanding at the present time about 540 small loans, totalling $19 million. As far as can be seen, there is enough money available in the fund to carry on these loans, on the other hand the $15

million made available in 1944 for loans of more than $200,000 was found to be insufficient, and in 1949 the Act was amended in order to make $25 million available for this purpose. At the present time there are outstanding thirty-two of these loans, totalling $22 million. This is pretty close to the $25 million authorized for this purpose, so it is suggested that more money be made available for this class of loan. This is felt to be necessary because of the present high cost of developing natural resources and because it is deemed advisable to finance industries which may be necessary for defence.

Honourable senators, if the house agrees to the general principle of this bill, I shall move that it be referred to committee, where Mr. Graham Towers will be available. At that time honourable members can inquire into the accuracy of these figures and into other details of the bill.

I move the second reading of this measure.

Hon. Mr. Isnor: I wonder if the sponsor of this legislation could tell the house where the offices of the Industrial Development Bank are situated, and what distribution is made of the loans?

Hon. Mr. Gershaw: The offices are in the Bank of Canada Building. The distribution of the loans has been pretty general, but I cannot give the details at this time.

Hon. Mr. Davies: When Mr. Towers appears before our committee, I hope he will be able to give us some better answer than that the loss has been very light. I think we should know the exact amount.

Hon. Mr. Gershaw: I endeavoured to find that out. With some 600 loans outstanding I assume that it is difficult to apply exact figures, but Mr. Towers will be available in committee to supply the information.

Hon. Mr. Reid: Is the general purpose of this bill to encourage commercial airlines to develop air service to the North and elsewhere? Is that the chief purpose for increasing the amount from $25 million to $50 million?

Hon. Mr. Gershaw: Authority to make loans to commercial aircraft lines is being asked for because it is felt that these lines should operate efficiently. It is believed that in the national interest these lines should be properly maintained and kept going. Strict regulations are applied in the granting of loans. Persons or corporations seeking loans must invest their own money, and the Industrial Development Bank takes precautions to see that it gets back whatever money it lends. For instance, I inquired whether a company could secure a loan to drill an oil well, and I was told, "Nothing doing." On the other hand, if there are many oil wells in a district, a loan may be granted for the construction of a refinery. The loans are long term loans.

Precautions are taken, but there being one hundred commercial transport companies it is felt that loans are necessary for replacement and for keeping the service up to a high standard.

Hon. T. A. Crerar: Honourable senators, the Industrial Development Bank Act was passed several years ago, near the end of the war, and one of the arguments put forward for it at that time, as I recall, was that it could be used to assist competent and capable returned men who wished to establish themselves in business of some kind or another but did not have the necessary capital to finance themselves and were unable to obtain it through the usual channels. It was intended at that time, I thought, that the bank would be of a more or less temporary character. It was generally recognized that the war would be followed by tremendous economic dislocations, and that a bank of this kind, with the government responsible for its administration and providing the capital, could give a form of assistance that might be very useful to veterans who were unable to secure the necessary credit elsewhere. When the Act was passed parliament was, I believe, in general agreement with that purpose. Now it would appear that this is to be a permanent feature of our economic life.

Hon. Mr. Reid: All these "temporary" things become permanent.

Hon. Mr. Crerar: Originally the aggregate amount of loans was limited to $15 million, as I recall, but this amount was found insufficient, and it was increased in 1949 or 1950—

Hon. Mr. Gershaw: 1949.

Hon. Mr. Crerar: It was increased in 1949 to $25 million. Now we are being asked to increase it to $50 million.

Hon. Mr. Haig: That is the larger part.

Hon. Mr. Crerar: This bill provides for an increase in the limitation to $50 million.

Hon. Mr. Haig: That is the new limitation on loans of more than $200,000. On loans of less than $200,000 the limitation is $15 million.

Hon. Mr. Crerar: That is so.

Hon. Mr. Haig: May I ask a question here? Does that not make the total limitation $65 million?

Hon. Mr. Gershaw: Yes.

Hon. Mr. Crerar: I question the desirability of the government engaging permanently in this kind of financing. As I have pointed out, there was felt to be a temporary need for the bank right after the war; but now, it seems to me, we are taking a course whereby the bank will become a permanent part of our industrial life. It may be that this is a wise thing to do, but I am bound to say that I have some mental reservations on the wisdom of it.

Further evidence of the purpose to expand the bank's operations is found in the first part of the bill, which makes commercial air services possible beneficiaries of the legislation. I have grave doubts about the wisdom of that. There is plenty of capital available for sound projects, and if a commercial air service cannot go out and persuade private sources to invest capital in it, the enterprise may be a poor risk for the government to help to finance.

I still hold to the old-fashioned theory that a government or governmental agency is not equipped to perform the function of granting credit to an organization, or of supervising the granting of such credit, as efficiently as a private institution which is risking its own money in the organization. I do not say that there has been anything improper in the administration of the Industrial Development Bank. Nor am I suggesting that political favouritism has been shown, although unquestionably that possibility always exists. That was recognized at the beginning, but the overriding possibility that some returned men might be unable of themselves to get the capital to start up in small businesses influenced parliament to provide this form of assistance.

No doubt the bill will be sent to a committee, and I personally should like to see there some discussion of the two points that I have raised.

Hon. A. K. Hugessen: Honourable senators, I must say that my understanding of the origination of this statute in 1944 differs from that of my friend from Churchill (Hon. Mr. Crerar). I think he is mistaken in associating this legislation with legislation to enable returned men to launch out on new business enterprises. In the veterans' charter legislation there were provisions for advancing small amounts of money to returned veterans to enable them to engage in business. But I do not think—and I speak subject to correction—that any such purpose was ever urged as a reason for this particular legislation.

Hon. Mr. Gershaw: That is right.

Hon. Mr. Hugessen: The reason that was urged was—and it is perhaps a reason that still exists—that there is a gap in the financing facilities of the country. On the one hand there are the chartered banks. In the very nature of their operations it is necessary for them to lend on only what one might call liquid security; they would not be fulfilling their proper functions if they were to start lending money on long-term fixed investments. On the other hand, there are what one might call the firms of investment bankers, investment houses which are responsible for most of the public financing in the country, and through which big industries raise large sums of money. But it was found that these industrial investment bankers were not normally interested in comparatively small security issues, of the order of from $50,000 to $1 million. This legislation was designed to fill a gap in the financing facilities of the country; and by and large, as we look back over the past six or seven years, we can say truthfully enough that it has filled that gap.

The great majority of loans made under this arrangement have been of a comparatively small order. I am sure my honourable friend from Medicine Hat (Hon. Mr. Gershaw) will confirm me in that. On the other hand, I think that the majority of the loans have been made on sound projects. As my friend has said, there has been a minute ratio of losses. That may be due as he remarks, to the bounding economy of this country, and it may be that our experience in the future along this line will not be as favourable as it has been over the past seven years. I suggest to honourable senators that if this legislation were to fall, the gap I speak of would again develop; but if we keep clear and definite safeguards against the misuse and abuse of this legislation—as we do when we put it into the hands of the Bank of Canada and its extremely efficient officers—I think we can well afford to continue to provide small capitalists with this service which, as I say, does not appear to be available from any other source.

Hon. John T. Haig: Honourable members, I am sorry, but I do not agree with what the last speaker has said about the motive behind this legislation; however, I do agree with the senator who explained the measure (Hon. Mr. Gershaw). My information is that many men who gained experience in their own or in their fathers' businesses, came back to Canada after the war and could not get capital to finance their projects. The commercial banks would not grant them loans—and for that I do not blame the banks. The Bank of Canada today has men going

about the country trying to get the commercial banks to curtail their loans to farmers for the purchase of machinery.

Hon. Mr. Hugessen: But that is farmers' loans.

Hon. Mr. Haig: Yes, loans on farm machinery.

Hon. Mr. Hugessen: That is of course quite beyond the scope of this legislation.

Hon. Mr. Haig: But the principle is the same.

I was opposed to the bill establishing the Industrial Development Bank, and I am opposed to this bill. I doubt very much that my experience with banks has been very different from that of my honourable friends. A practising lawyer in a city like Winnipeg, situated in a large farming community, knows that banks will make loans on anything that offers security, if there is a reasonable chance of repayment. In the province of Saskatchewan, following the depression, one bank alone wrote off $8 million of loans. There was not much curtailment of lending when one bank suffered a loss like that.

Canada may easily run into stiffer times than she is experiencing today; and we will see hard times, if Stalin is right in thinking that if he can keep us spending our money on defence, we will break ourselves before we are through. If times are hard, what is there to prevent the government of the day from insisting that the bank make loans? Human nature does not change, and every member of the House of Commons who finds things bad in his district will call on the bank to assist his constituents, and the bank will have to do it. That is exactly what has happened in the United States, and it has caused all kinds of scandal; the pressure was put on, and loans were made.

I do not believe that our economy needs the bolstering that this measure would provide. I do not believe that the banks are refusing to make loans on reasonable security. I ask my honourable friend whether, if he were lending his own money, he would lend it on a commercial air service venture? I doubt that he would. But we are going to ask this organization to do that very thing, and it cannot very well refuse because parliament has passed a law providing that loans for such a purpose may be made.

Hon. Mr. Hugessen: Surely my honourable friend is not saying that, because the Bank Act allows banks to lend money to individuals, they have to lend it to anyone who comes along?

Hon. Mr. Haig: No, but they do make loans; and my illustration of the experience of the bank in Saskatchewan shows that, in spite of supervision losses do occur. Other banks may have had similar experiences, for their managers are not infallible.

Hon. Mr. Hugessen: But parliament is not forcing the bank to make loans.

Hon. Mr. Haig: Perhaps not, but parliament is setting out certain projects on which loans may be made.

We are already spending huge sums in public financing. For instance, millions of dollars are going into housing projects but that is an entirely different picture, for a person will strive to pay for his home even if he has to forsake everything else. That is only human nature. But the passage of legislation before us would allow the banking institution to lend on, commercial air service, a highly speculative commercial business. It is worthy of note that our own Trans-Canada Air Lines have, until this year, failed to show any profit at all. I doubt very much if other lines have done any better, when all their losses have been counted.

I repeat that I do not think our economy needs the kind of bolstering this legislation would give it. I believe that through our provinces and our municipalities we are pumping enough public money into the economy of the country, and I do not think that we should provide another $25 million by way of loans on speculative ventures.

Mine may be a voice "crying in the wilderness"; but the time will come when such a voice will be listened to. It is my firm belief that it is not in the interest of the people to pass such legislation as this, for we are already putting enough public money into Canada's economic stream.

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

REFERRED TO COMMITTEE

Hon. Mr. Gershaw moved that the bill be referred to the Banking and Commerce Committee.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:—

Bill Z-8, an Act for the relief of Leo Kendall.

Bill A-9, an Act for the relief of Tom Barnard Clayton Gould.

Bill B-9, an Act for the relief of Helene Laura Solomon Wiseberg.

Bill C-9, an Act for the relief of Joan Borland White.

Bill D-9, an Act for the relief of John Laurence McDonough.

Bill E-9, an Act for the relief of Jean Wiseman Schwartz.

Bill F-9, an Act for the relief of Judith Sorel Riven Gainsbury.

Bill G-9, an Act for the relief of Agnes Bertha Baugh Guimont.

Bill H-9, an Act for the relief of Genevieve Flora Agatha Brown Smith.

Bill I-9, an Act for the relief of Marcelle Alice Beliveau Martin.

Bill J-9, an Act for the relief of Marcel Despatis.

Bill K-9, an Act for the relief of Joseph Wilfrid Ernest Senecal.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill J-8, an Act for the relief of William Wallace Watson.

Bill K-8, an Act for the relief of Russell James Barrett.

Bill L-8, an Act for the relief of Alice Sabria O'Connor Muskett.

Bill M-8, an Act for the relief of Julia Emma Pearl Sager Noiseux.

Bill N-8, an Act for the relief of David Gilmore Bennett.

Bill O-8, an Act for the relief of Kathleen Hilda Turk Woodall.

Bill P-8, an Act for the relief of Mary Elizabeth Cate Lowe.

Bill Q-8, an Act for the relief of Aldea Gendreau Bourbonnais.

Bill R-8, an Act for the relief of Peter Ernest Walker.

Bill S-8, an Act for the relief of Dorothy Agnes Kearns Bradley.

Bill T-8, an Act for the relief of Sarah Bernstein Smith.

Bill U-8, an Act for the relief of Margaret Gladys Redman Glassco.

Bill V-8, an Act for the relief of Louise Joslyn Smith Harvey-Jellie.

Bill W-8, an Act for the relief of Bertha Naujoks Stehr.

Bill X-8, an Act for the relief of Margit Aloisia Payer Worontschak.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Haig: With leave, at the next sitting of the house.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 20, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King, P.C.) in the Chair.

Prayers and routine proceedings.

GOVERNMENT EMPLOYEES COMPENSATION BILL

FIRST READING

A message was received from the House of Commons with Bill 195, an Act to amend the Government Employees Compensation Act, 1947.

The bill was read the first time.

PARKING ON PARLIAMENT HILL

ACCOMMODATION FOR SENATORS

On the Orders of the Day:

Hon. A. C. Hardy: Honourable senators, I should like to call attention to the parking situation on Parliament Hill, so far as senators are concerned. I cannot remember that until two or two and a half years ago there was any trouble about the parking accommodation for members of this house. At that time they had some seventeen or eighteen spaces allotted to them at the east end of this building. For some reason, about two years ago this accommodation was relocated at the front of the building where, until that time, no parking had been allowed. Since then the berths for senators' cars have been reduced to fourteen, one of which is, very properly, reserved. There are also five other spaces for officials of this house; and at the east end some twenty or more spaces allotted to officials or employees of the Senate. As a result of all this, there is not enough room for senators' cars, and even some of the space officially allocated to them is occupied by others. For example, right now there are two cars in these spaces which do not belong to any member of this house.

I do not know who is responsible for the present situation. Formerly the Mounted Police had charge and kept a check on cars coming in, but for some reason they have withdrawn. I have heard that they refuse to exercise any supervision in this matter, except over the small parking space reserved for ministers at the west end of the building. I do not know whether this matter is controlled by the Committee on Public Buildings and Grounds or by the Minister of Public Works; but I think something should be done to give senators a little more accommodation, and especially, that cars which are owned by other residents of Ottawa who have no relation to the Senate should not occupy space which apparently was intended for members of this house.

Without directing a regular question to the leader (Hon. Mr. Robertson), I would ask him to ascertain why the present situation exists, and to see what he can do about it.

Hon. John T. Haig: Honourable members, may I be permitted to say that I have the honour to be a member of the Committee on Public Buildings and Grounds, and that this question was brought before us about seven weeks ago. We sent for solicitors from the Department of Justice to find out what were the legal rights involved. Last fall a man attached to the Press Gallery parked his car in a place where he was not supposed to put it. The police summoned him to the police court, and the magistrate dismissed the charge. When the solicitors for the Department of Justice appeared before our committee they stated that they were not sure of the legal rights.

At this time I should like to pay compliment to the Gentleman Usher of the Black Rod in the Senate, who has been most diligent in pressing this matter. In fact, he was pressing it so much that I was beginning to get a little uneasy. Upon the request of the chairman of the committee, I interviewed the Minister of Public Works, Mr. Fournier. He said: "This is funny; about four hours ago I instructed my officials to ascertain the precise legal position of the grounds so that we could reach an opinion. In four or five days I think I shall be able to let you know just what the situation is." Those four or five days were up last Thursday. I was unable to see the Minister yesterday, but I intend to have a further interview with him when the Senate rises today.

The position of this matter is peculiar. During the Bennett administration an Act was passed by parliament placing the control of these grounds under the Federal District Commission. The late Prime Minister Bennett, like the late Prime Minister King, was keen on giving that commission a good deal of power. Question now has arisen as to whether these grounds really come under the jurisdiction of the Federal District Commission. Mr. Fournier agrees that this should not be so, and that the situation is anomalous. Nevertheless, I believe that legislation will be required to restore this control to parliament.

The R.C.M.P. quite properly refuse to prosecute people who park in wrong places on the hill. There is a judgment against them, and they claim that the only thing they can do is to appeal that judgment. As I say, the Department of Justice is not sure just who

has jurisdiction. I would suggest that we do not need to do anything drastic. Our committee is pressing the question energetically, and the Minister of Public Works has assured me that he is just as much troubled as we are, because he is badgered on all sides about the parking situation.

Like the honourable gentleman from Leeds (Hon. Mr. Hardy), I have seen people who are not even employed on Parliament Hill park their cars on these grounds, and leave them there from eight o'clock in the morning until five o'clock at night. They simply use the grounds as a public parking place.

I can assure honourable senators that our committee is very much alive to this problem. As a matter of fact, if we were not alive to it the Gentleman Usher of the Black Rod would certainly wake us up in a hurry. The committee will make its report to the Senate, and honourable members can then take whatever action they deem necessary.

Hon. Mr. Hardy: I thank the leader of the opposition (Hon. Mr. Haig) for the clear way in which he has explained the whole situation. I am going to appeal to the leader on this side (Hon. Mr. Robertson) to do what he can to rectify this situation so that honourable members will have their own parking places.

Hon. Mr. Robertson: I join with the leader opposite in what he has said about the untiring efforts of the Gentleman Usher of the Black Rod in this matter. I shall do the best I can, along with the committee, to have some definite decision arrived at and reported to this house.

Hon. Mr. Haig: Just one word more. I want the house to know that the committee had no intention of by-passing the leader of the government here (Hon. Mr. Robertson). In committee we were unanimous on what we were doing, and we knew that if we went to the leader of the government he would give us every assistance. If, acting on behalf of the committee, I fail to get action from the Minister of Public Works—and I do not expect to fail, for he is just as keen as I am—I will report back to the leader of the government, and I am certain that he will give us his full co-operation.

Hon. Thomas Reid: Honourable senators, I know something of the shortage of parking space on Parliament Hill, for I had my car here last summer. We all are aware that shortage of parking space is a serious problem in every city and town in the country. Many large corporations now provide adequate accommodation for the cars of their employees. I visited one plant, the Boeing airplane factory, where the cars of 7,000 employees were parked.

The demand for parking space on Parliament Hill is going to increase, and if we are to provide accommodation for the cars of employees, as well as those of senators and members of the other house, we must use some spaces where parking is not now permitted. I suggest that consideration be given to the idea of providing underground space on the hill. True, to do so would cost money, but why should we not follow the practice of large industries and furnish employees with adequate parking space?

I rise to support any move towards a betterment of the present situation. To begin with, it seems to me that a good many cars could be parked on surface space that is not now used. For instance, in the west end of the grounds I have noticed a piece of grass which is passed by few people and cannot be seen from the roadway; I imagine it would hold fifty cars. But though I never see anyone walking over it, I am told that it must be kept in grass. And at the back of these parliament buildings there is another space where perhaps thirty or forty cars could be parked but which is now used for no purpose at all.

I believe that if the situation were gone into seriously by those in authority it could be greatly improved.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill J-8, an Act for the relief of William Wallace Watson.

Bill K-8, an Act for the relief of Russell James Barrett.

Bill L-8, an Act for the relief of Alice Sabria O'Connor Muskett.

Bill M-8, an Act for the relief of Julia Emma Pearl Sager Noiseux.

Bill N-8, an Act for the relief of David Gilmore Bennett.

Bill O-8, an Act for the relief of Kathleen Hilda Turk Woodall.

Bill P-8, an Act for the relief of Mary Elizabeth Cate Lowe.

Bill Q-8, an Act for the relief of Aldea Gendreau Bourbonnais.

Bill R-8, an Act for the relief of Peter Ernest Walker.

Bill S-8, an Act for the relief of Dorothy Agnes Kearns Bradley.

Bill T-8, an Act for the relief of Sarah Bernstein Smith.

Bill U-8, an Act for the relief of Margaret Gladys Redman Glassco.

Bill V-8, an Act for the relief of Louise Joslyn Smith Harvey-Jellie.

Bill W-8, an Act for the relief of Bertha Naujoks Stehr.

Bill X-8, an Act for the relief of Margit Aloisia Payer Worontschak.

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

PRIVATE BILL

SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill I-8, an Act to incorporate the National Dental Examining Board of Canada.

He said: Honourable senators, on account of the unfortunate illness of the sponsor of this bill, I have been asked to start the discussion on it.

This bill, to incorporate the National Dental Examining Board of Canada, follows very closely the lines of the bill which set up the Medical Council of Canada, and that body has worked very well. The various provincial dental licensing boards have pressed for the incorporation of such a body as is proposed in order to make for uniformity in the qualifications of practising dentists. Such a body would enable a graduate in dentistry, upon taking one examination, to register in any province in Canada.

Honourable senators will note that the provisional directors of the proposed board are three in number, the President of the Canadian Dental Association, the President-Elect of the association, and the Registrar. The board to be set up will be composed of twelve members, two to be appointed by a committee of the Canadian Dental Association, and one by each of the provincial licensing bodies. The present provincial licensing bodies will continue to exist. They are free to refuse to join the proposed association; or they may join it, withdraw and rejoin it.

The main purpose of the legislation is to establish the highest possible standard for dental qualifications in Canada, and also to give to the proposed board authority to set up examining bodies which can grant certificates of qualification. The bill is designed to meet the desire for a central organization.

The remainder of the bill deals with the term of office of the members of the board, and gives authority to collect fees, own property and carry on the business of the board.

When the bill has been given second reading, I think it would be desirable to refer it to a committee, so that the solicitors for the Canadian Dental Association will have an opportunity to explain it.

Hon. Mr. Vien: When a student has passed the examinations and has received a diploma, what would he be entitled to as of right?

Hon. Mr. Gershaw: He could then register with the board.

Hon. Mr. Vien: As of right?

Hon. Mr. Gershaw: That will of course depend on the qualifications required. If he passes the examinations he will likely be accepted by any licensing body in Canada. The examinations may be written anywhere in Canada; it will not be necessary for him to attend at the city where the head office of this body is located. Furthermore, the papers which he writes on his provincial examination can be sent to this proposed body, and if they are approved, he can then register with the National organization.

Hon. Mr. Vien: I should like to remind the Senate that a short time ago—I think it was in 1951—the land surveyors of Canada caused to be placed before us a bill for the establishment of a national body; and at an earlier date parliament passed an Act incorporating the Medical Council of Canada. Now we are being asked to consider a bill for the incorporation of the National Dental Examining Board of Canada. It seems to me that when the federal government attempts to legislate in respect of matters covered by section 92 of the British North America Act, by which the provinces are given certain exclusive powers, it is bound to cause trouble. It can be taken for granted, I think, that the provinces, and by and large the individuals of each province, are determined to maintain the division of power as between the federal and provincial authorities. One cannot fail to notice the attempts that are made from time to time towards a greater centralization of power. To those attempts we in Quebec are bitterly opposed; and I cannot say that this feeling is not shared by the other provinces. I know that the other provinces hold similar views with respect to certain matters.

The experiences of the past eighty years have proven that in their deliberations, the Fathers of Confederation exercised clear vision and sound judgment. The constitution which they created has enabled Canada to prosper to a degree not envisaged at that time; it has made for the happiness and contentment of the people of Canada under our system of government. We should not, therefore, without due consideration, vary this almost sacred constitution by removing from the provinces the control of educational and professional bodies. I know that the Bar of the province of Quebec, and the College of Physicians and Surgeons of that province,

do not want to be merged into a national organization; they prefer to retain control of the regulations and fundamental principles that govern the admission of members to these bodies, and the practice of their respective professions.

I emphasized this point when we were discussing the Canada Land Surveys Bill. In that measure there were two or three features which might have justified it, although I could not see it that way. At any rate the argument was advanced, that, for various reasons, government lands held in various parts of the country needed a uniform system of land surveying and qualified land surveyors of a standard that would be recognized throughout Canada. There were certain reasons to which, without being convinced, we yielded. The bill before us is another invasion of the provincial field; and I do not see why it is necessary, when every province has a dental body with an examining board of its own, to drive the thin end of the wedge in that way, as has been done already in other directions. Therefore, unless I am shown that the public interest is involved and will be better protected by a system of this kind, I am determined to oppose the bill with all the ability and vigour which I possess.

Hon. John T. Haig: Honourable members, although I agree with everything that has been said by the honourable senator from De Lorimier (Hon. Mr. Vien), I recall having been a member of the Manitoba legislature when the medical profession formed a dominion-wide association. I then held exactly the same views as my honourable friend; but I must candidly confess that the establishment of that association has wonderfully improved medical standards throughout the country.

I do not favour any encroachment upon provincial jurisdiction. It was, I agree, the special purpose of the Fathers of Confederation to protect both sides to the compact, because had they not done so there would have been no confederation. At the same time it must be recognized that one of our national problems is to obtain enough men and women dentists, and to assure the same standards of efficiency in all parts of the country.

This bill will not affect Manitoba at all. The province grants its own licences, and only those to whom licences are granted may practise dentistry in Manitoba. But it is always the dominion associations which are responsible for higher standards. The more expert professional men join the national body, and its work reacts on the provinces. The same is true in the realm of medicine. Manitoba has a medical college, if not the greatest in the dominion, a very good one. It has been established over fifty years.

Hon. Mr. Howden: Much longer than fifty years.

Hon. Mr. Haig: Well, my recollection goes back only fifty years. Before then I was mainly interested in trying to make a living.

Hon. Mr. Howden: I graduated nearly fifty years ago from the Manitoba Medical College, and it was in being a long time before that.

Hon. Mr. Haig: And I am sure that everybody in Manitoba believes that the Canadian Medical Association has effected improvements in standards of medicine in our college.

I hope this bill will be sent to committee. I am sure that when it has been further explained, honourable senators will realize that Quebec provincial jurisdiction is not being encroached upon. To join the association is a voluntary act. As my honourable friend knows, there are in Canada two systems of law; the Civil Code in the province of Quebec, and the common law elsewhere. I can remember—of course, the parallel is not exact—that when the Canadian Bar Association was formed it encountered quite a bit of opposition from the province of Quebec. But the effect of the work of the association was to improve standards of legal training; and today the Canadian Bar Association probably has no stronger supporters than the lawyers of Quebec. Its purpose and its effect are not to encroach on the provincial law of Quebec or of Ontario or any other province, but to advocate improvements in the general laws of the country.

I hope the house will send this bill to committee. I hope, further, that the effect of the bill will be to induce young men and women to enter the dental profession, so that Canada in years to come will have more dentists than it has now.

Hon. J. P. Howden: I have a good deal of sympathy with the objects of this bill. A good many years before I was born, Manitoba had a medical college, and later, somebody conceived the idea that, through a superior, federal authority prescribing an examination for young medical graduates, it should be made possible for them to practise in any province in Canada without being required to take a separate examination in any province to which they might go. Thus was created what was known among our doctors as dominion registration. Sir James Grant was knighted for having promoted legislation for this purpose and for getting it through. Possibly with one or two exceptions, there are medical colleges in every Canadian

province; and when a student graduates from one of these colleges, he can take promptly and immediately—while the subjects are fresh in his mind, before they have had a chance to become stale, and it has become difficult for him to pass an examination—what is called the dominion registration. When he has done that, by paying a licence fee he can practise in any province of Canada.

It is for a similar purpose that this bill is before us. It is intended to make it possible for a dentist who has qualified in Ontario, British Columbia, Saskatchewan, or anywhere else in Canada, to take the dominion registration in dentistry, and, by paying a licence fee, to practice anywhere, with assurance to the public that he has passed a good satisfactory qualifying examination. That is the whole story. The dentists, like the doctors, want to have dominion registration.

Hon. Mr. Vien: May I have the consent of the Senate to say one thing more?

The object which has been explained to us is the one thing we should guard against—namely, the creation of a dental body with power to issue a certificate which will give to those who qualify under it the right to register and to practise in any province.

Hon. Mr. Haig: But each province specifies the terms of registration.

Hon. Mr. Vien: Oh, yes, but the terms of registration are the same for everybody. We want the boards governing the various professions in the provinces to have the right to determine who is qualified and who is not. We do not want this right to be placed with any national board. In other words, we do not want to see any such board given authority to issue a certificate which gives the holder thereof the right to register and practise.

Hon. Mr. Davis: Manitoba, like some of the other provinces, has no dental college. Is it not a fact that this bill is designed in order to provide some recognition for dentists practising in provinces where there are no dental colleges? We have a medical college in Manitoba but no dental college, and I think this legislation is aimed to provide us with some recognized standard in dental matters.

Hon. Mr. Howden: There is no desire here to impose anything upon graduates. As a matter of fact, it is something urgently sought by the graduates of the various dental colleges. Instead of having to pass some twelve examinations, dental graduates holding dominion registration will be able to practise anywhere in Canada.

Hon. Mr. Reid: If a dental graduate acquires a certificate of competency from the National Dental Examining Board of Canada, will he have the right to practise, say, in British Columbia, even if the British Columbia Dental Association is not a member of the National Board? In other words, would the decision of the National Dental Examining Board override anything that the province does?

Hon. Mr. Gershaw: No. The provincial licensing board will be responsible for authorizing dental graduates to practise dentistry.

Hon. A. W. Roebuck: Honourable senators, I entirely agree with the honourable gentleman from De Lorimier (Hon. Mr. Vien), who has raised the question of constitutionality. This whole matter falls under the heading of education, which is under provincial jurisdiction. We have no business interfering with or encroaching upon that reserve.

I am opposed to this bill if it does what has been suspected, but I think the answer is to be found in the bill itself. Section 6 reads:

> 6. The purposes of the board shall be
> (a) to establish qualifying conditions for a single standard national dental certificate of qualification, which may be recognized by the dental profession as the highest in Canada;

At the present time we have in Canada the right to establish national standards of length, breadth, weight and so on. We also have the right to establish standards of quality for farm produce and the like, and under this bill we would have the right to establish national standards in dental matters. These standards will not override any provincial jurisdiction; but if a dentist acquires a national dental certificate of qualification he will be able to put that information on his shingle. According to the Bill, this is a standard which may be recognized by the dental profession and not necessarily by anybody else. Clause (b) reads:

> (b) to ensure that the rules and regulations governing examinations will be acceptable to all participating licensing bodies and will provide for the conducting of examinations in a manner fair and equable for all concerned;

It is not "to all licensing bodies" but "to all participating licensing bodies".

Clause (c) reads:

> (c) to promote enactment, with the the consent and at the instance of the corporate members of the Canadian Dental Association, of provincial legislation necessary or desirable to supplement the provisions of this act.

That is the important part of the bill.

From a quick reading of the bill, I would say that this body has no legal authority.

Hon. Mr. Howden: That is the idea.

Hon. Mr. Roebuck: I am not so sure that this body will even grant a title, but it will

grant a certificate specifying that a certain examination has been passed and that certain approval has been extended. That is as far as it can go. The board may, however, induce provincial governments to pass legislation which will make its decisions law in those provinces. Without that legislation, the decision of the National Dental Examining Board of Canada will have no legal constitutional validity in any province. While I would read this legislation with great care and with some suspicion for fear that it infringes on provincial authority, at the moment I do not see that it does.

Hon. Mr. Paterson: Will the honourable senator read section 7 as well?

Hon. Mr. Roebuck: It reads:

7. The Board shall have power to
(a) establish a qualification in dentistry such that it will be recognized by the appropriate licensing bodies in all the provinces of Canada;

I see nothing wrong with that. It just says the board shall have power to establish a qualification in dentistry that will be recognized.

Hon. Mr. Euler: Must it be recognized?

Hon. Mr. Roebuck: No.

Hon. Mr. Euler: I was wondering about that, because I think it was said a moment ago that when a dentist has this dental certificate he can go and practise in any province upon paying the license fee.

Hon. Mr. Roebuck: That is the idea, but it is not in the bill.

Hon. Mr. Euler: Must a provincial body grant a dentist the right to practise if he holds a national dental certificate?

Hon. Mr. Roebuck: I take it that that is not so.

Hon. Mr. Euler: Well, that constitutes an interference.

Hon. Mr. Roebuck: It says that the board shall have the power "to establish a qualification in dentistry such that it will be recognized", not that it shall be recognized.

Hon. Mr. Howden: Use the word "accepted" instead of "recognized".

Hon. Mr. Roebuck: It means about the same thing. It is their desire, not their legal authority.

Hon. Mr. Vien: It says "the Board shall have power."

Hon. G. Lacasse: Honourable senators may be interested to hear from a man who is a product of the first year of operation of what was known as the Roddick Bill. I took advantage of that legislation right after its enactment, and I understand from what has been said by the honourable senator from St. Boniface (Hon. Mr. Howden), that the bill before us is more or less a replica of the Roddick Bill.

The Roddick Bill had to do with the medical profession, and was enacted in 1913. It has therefore been in force for forty years; and it is because of that bill that I, although born in Quebec and a graduate of Laval University, in Montreal, have been practising medicine in Ontario for the last thirty-eight years. I was one of the first beneficiaries of that legislation. But before being allowed to practise in Ontario I had to have the degree of M.D. from my own province, and then I was required to submit to an additional examination under the auspices of what is still called today the Medical Council of Canada, which was the offspring of the Roddick Bill. After having successfully passed that examination I had to be accepted by the provincial authorities in Ontario, and to pay the required registration fee. Under the provisions of the Roddick Bill, had I been more than ten years in practice I would have been free to hang up my shingle in any province where I chose to go, without any further ado other than payment of the provincial fee.

As I say, I think this bill is more or less a copy of the Roddick Bill. If there are any differences between the two, this should be an improvement on the earlier one, because of the experience that has been gained since 1913. I do not think the bill presents any challenge to provincial rights or prerogatives.

As I see it, the purpose of the bill is simply to help dentists who wish to move from one province to another to practise their profession. There is nothing of a compulsory nature at all about the measure. Those who desire to take advantage of its provisions will be free to do so, upon complying with the laws of the province into which they move. A dentist who intends to practise in the province in which he graduates, would of course not submit to the additional examination and pay the fee required of one who moves to another province.

This explains the bill as I understand it, in the light of my personal experience with the Roddick Bill, which gave birth to the existing Medical Council of Canada.

The Hon. the Acting Speaker: Honourable senators, the question is on the motion for the second reading of the bill. Is it your pleasure to carry the motion?

Some Hon. Senators: Carried.

Hon. Mr. Vien: No.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Vien: Honourable senators, may I suggest that the provincially constituted bodies which control these professional matters in each province be notified of the date at which this bill will be considered in committee and invited to express their views to the committee?

Hon. Mr. Roebuck: It seems to me, honourable senators, that notice of the date of the committee's hearing on the bill should be sent to the Attorneys General of all the provinces, so that if they have any objection to the bill we may hear of it.

Hon. Mr. Vien: That is agreeable to me. I should like to have the house express formal approval of that suggestion, and if necessary I will move that that be done.

Hon. Mr. Haig: Excuse me, but I do not think that is a matter for the house. That can be attended to in committee.

Hon. Mr. Robertson: The Chairman of the Miscellaneous Private Bills Committee (Hon. Mr Bouffard) is present and will have noted the suggestion that has been made. I am sure he will act accordingly. If, when the bill is reported back from committee, any senators thinks that the attorneys general of the provinces were not notified, that would be a very pertinent question to raise here at that time. It seems to me that, as stated by the leader opposite (Hon. Mr. Haig), notice of the committee's hearing on the bill is a matter for the committee to consider, and that no formal action by the Senate is necessary.

Hon. Mr. Roebuck: That is satisfactory to me.

The motion of Hon. Mr. Gershaw was agreed to and the bill was referred to committee.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the second reading of the following bills.

Bill Z-8, an Act for the relief of Leo Kendall.

Bill A-9, an Act for the relief of Tom Barnard Clayton Gould.

Bill B-9, an Act for the relief of Helene Laura Solomon Wiseberg.

Bill C-9, an Act for the relief of Joan Borland White.

Bill D-9, an Act for the relief of John Laurence McDonough.

Bill E-9, an Act for the relief of Jean Wiseman Schwartz.

Bill F-9, an Act for the relief of Judith Sorel Riven Gainsbury.

Bill G-9, an Act for the relief of Agnes Bertha Baugh Guimont.

Bill H-9, an Act for the relief of Genevieve Flora Agatha Brown Smith.

Bill I-9, an Act for the relief of Marcelle Alice Beliveau Martin.

Bill J-9, an Act for the relief of Marcel Despatis.

Bill K-9, an Act for the relief of Joseph Wilfrid Ernest Senecal.

The motion was agreed to, and the bills were read the second time, on division.

CRIMINAL CODE BILL

NOTICE OF COMMITTEE MEETING

On the motion to adjourn.

Hon. Mr. Robertson: Honourable senators, I wish to remind the house that the Standing Committee on Banking and Commerce will meet as soon as the Senate rises to resume consideration of the Criminal Code Bill. May I add this: I assured the Minister of Justice that as far as lay within our power we would do all we could to see that the bill was dealt with as expeditiously as it is possible to make a thorough study of the measure.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 21, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King, P.C.) in the Chair.

Prayers and routine proceedings.

CRIMINAL CODE BILL

FIRST REPORT OF COMMITTEE

Hon. Mr. Hayden presented and moved concurrence in the first report of the Standing Committee on Banking and Commerce on Bill H-8, an Act respecting the Criminal Law.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred Bill H-8, an Act respecting the Criminal Law, beg leave to report as follows:

1. Your committee recommend that they be authorized to send for persons, papers and records.

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

3. Your committee further recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of its proceedings of the said bill, and that rule 100 be suspended in relation to the said printing.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill F-7, an Act to incorporate the Equitable Insurance Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill F-7, an Act to incorporate the Equitable Insurance Company, have, in obedience to the order of reference of May 8, 1952, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 1, line 13: Delete "The Equitable Insurance Company" and substitute "Equitable Fire Insurance Company of Canada."

2. Page 1, line 14: Delete "La Compagnie d'Assurance Equitable" and substitute "Compagnie Equitable d'Assurance Incendie du Canada."

In the Title

3. Delete "The Equitable Insurance Company" and substitute "Equitable Fire Insurance Company of Canada."

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

Hon. Mr. Bouffard: Next sitting.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Duffus moved:

That the parliamentary fees paid upon Bill E-7, an Act respecting The Sisters of Charity of the House of Providence, be refunded to Messrs. Henderson, Willoughby and Company, Kingston, Ontario, solicitors for petitioners, less printing and translation costs.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill Z-8, an Act for the relief of Leo Kendall.

Bill A-9, an Act for the relief of Tom Barnard Clayton Gould.

Bill B-9, an Act for the relief of Helene Laura Solomon Wiseberg.

Bill C-9, an Act for the relief of Joan Borland White.

Bill D-9, an Act for the relief of John Laurence McDonough.

Bill E-9, an Act for the relief of Jean Wiseman Schwartz.

Bill F-9, an Act for the relief of Judith Sorel Riven Gainsbury.

Bill G-9, an Act for the relief of Agnes Bertha Baugh Guimont.

Bill H-9, an Act for the relief of Genevieve Flora Agatha Brown Smith.

Bill I-9, an Act for the relief of Marcelle Alice Beliveau Martin.

Bill J-9, an Act for the relief of Marcel Despatis.

Bill K-9, an Act for the relief of Joseph Wilfrid Ernest Senecal.

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

CANADIAN NATIONAL RAILWAY (TERRACE TO KITIMAT) BILL

SECOND READING

Hon. Gray Turgeon moved the second reading of Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia.

He said: Honourable senators, it gives me very much pleasure to move the second reading of this bill, regardless of the fact that the bill if passed will bring about an expenditure of money. It authorizes the Canadian National Railway Company to build, at an estimated cost of $10 million, 46 miles of railroad from Terrace to Kitimat in the

northwestern portion of British Columbia. The purpose in building this road is to permit the carrying on of the work projected in that part of the country by the Aluminum Company of Canada. I shall take the liberty of saying a word or two about what this work will mean to British Columbia and to Canada as a whole; but first of all, naturally, I shall deal with the proposed construction of the line of railway. The Aluminum Company has already expended very large sums of money in making preparations for carrying through this great project, which it is expected will be completed in five years at the most, and the company estimates that by that time it will have spent on the whole project more than $500 million. Without the proposed line of railway it would be practically impossible for the company to carry on the work that it has planned.

One interesting and incidental feature which should be mentioned is that the Aluminum Company is giving to the railway company a guarantee concerning the revenue-producing traffic over the 46 miles of the proposed railroad line from Terrace to Kitimat.

Hon. Mr. Roebuck: For how long?

Hon. Mr. Turgeon: I should like to put on record a statement on the volume of traffic over the Canadian National Railways in that part of British Columbia. I am thinking now of the line running from Jasper to Prince Rupert, and particularly of that portion of it in British Columbia running through McBride, Prince George and Terrace, and on to Prince Rupert. In 1951 the traffic on that portion of the Canadian National Railways included a total of 20,000 cars of revenue-producing freight. Of this total, 14,000 cars carried lumber, which was not only a high revenue producer but constituted long-haul traffic, largely across Canada. Also, on the return trip cars were able to carry grain westward to Vancouver and New Westminster, and to return north, through Red Pass Junction, and pick up and carry eastbound revenue-producing freight. That is a picture of the traffic which moves in this area today.

As one who is very much interested in the development, both actual and proposed, of that northwestern area, I sometimes wonder what the next ten years will produce. We will have not only the aluminum products to consider but the related industrial development. There has been a good deal of talk during the past few years about oil and gas; there has also been considerable discussion as to what will happen with regard to coal. Within easy access of Prince George there are the Hasler Creek, the Bowron Valley and other coal fields. It is also notable that the great dam which will supply water to Kitimat is only about a hundred miles west and slightly south of Prince George. This whole country will provide a market for gas, and for coal when gas is not available. Further, it will give the Research Council of Canada an opportunity to carry out a suggestion already made in this chamber, that there be a continued study of the possibilities of producing gas from coal. The aluminum plant will of course use hydro power, and will not need gas.

Hon. Mr. Euler: Will my honourable friend permit a question? Who are the promoters of this project? Is it being financed by Canadian or American capital?

Hon. Mr. Turgeon: It is being financed by both Canadian and American capital. I imagine that a great deal of money is coming from the United States, and the company may be a subsidiary of an American company. It is the same company that has been carrying on work at Arvida in the province of Quebec, operating through a purely Canadian subsidiary. It will be remembered that when the Aluminum Company plant was being proposed, and before it had reached the stage at which we now see it, many people in the United States said they would not take any of this company's products. They wanted the money to be expended for the production of aluminum in the United States rather than for the purchase of it from Canada. I think that answers the question. The capital involved here is not necessarily of United States origin, and a good many American capitalists were not anxious to see aluminum produced here for exportation to the United States. But American opinion has taken a more favourable turn, and I understand that their tariff on aluminum has been reduced 25 per cent to enable our product to be admitted more freely.

This railroad, which will run to Kitimat from Terrace, will be built at a probable cost of $10 million. The estimated net revenue in the first five-year period, part of which is guaranteed by the company, is $1,100 per year, provision being made for the payment of interest on the $10 million.

Hon. Mr. Davies: Have the contractors undertaken to build the road for $10 million, or is that figure merely a guess?

Hon. Mr. Turgeon: It is the amount which Canadian National Railways and their engineers have estimated to be the cost, and which, so far as any guarantee by the federal government is concerned, they are authorized

to expend. Also, it represents the basic consideration in the company's guarantee of traffic.

Hon. Mr. Paterson: May I ask the honourable senator, where is Terrace?

Hon. Mr. Horner: How many miles is it from the Pacific coast?

Hon. Mr. Turgeon: Terrace is approximately ninety miles from Prince Rupert, and Kitimat is forty-six miles south and a little west of Terrace. Kitimat is on what is called the Kitimat Arm, which runs down Douglas Channel into the Grenville Channel, which extends as far as Prince Rupert, about ninety miles away.

Hon. Mr. Lambert: Does the honourable member know whether it is proposed to electrify this new branch?

Hon. Mr. Turgeon: Not so far as I know. I do not think there is any reference to electrification in the bill. That will be a matter for consideration by the company, and it might be appropriate to suggest that the railway be operated with electricity rather than in any other way.

Hon. Mr. Euler: To what extent is payment of revenue guaranteed?

Hon. Mr. Turgeon: To minimize the prospect of loss, the company has undertaken to assure a certain definite amount of traffic to the railroad during each year.

Hon. Mr. Vien: Is that a contractual agreement? Is the guarantee in the form of a contract?

Hon. Mr. Turgeon: It is a guarantee given by the Company.

Hon. Mr. Roebuck: It does not appear in the bill.

Hon. Mr. Vien: Where could we find the contract containing the guarantee given to the railway?

Hon. Mr. Turgeon: I suppose it would be in the headquarters offices of the Canadian National Railways. If the bill should receive second reading, I shall suggest that it be sent to the Committee on Transport and Communications. I have no doubt that we can then get full information on this or any other question.

Hon. Mr. Vien: The honourable senator is not familiar with the details of the guarantee?

Hon. Mr. Turgeon: No, definitely not, except that it guarantees a certain volume of traffic, and that it does not exceed $10 million. This is a matter between the railway company and the Aluminum Company. At a meeting of a committee of the other place, a representative of the Aluminum Company stated that he had got into some trouble with his head office for having given such a guarantee, but the guarantee will stand.

Hon. Mr. Crerar: My honourable friend stated a little earlier the amount of revenue which might be expected. I gathered that he had not quite concluded his remarks.

Hon. Mr. Turgeon: No. Some questions intervened.

Hon. Mr. Crerar: He spoke about $1,100. Was that the figure per mile, or for the whole line?

Hon. Mr. Turgeon: That was on this forty-six miles of new line.

Hon. Mr. Crerar: $1,100?

Hon. Mr. Turgeon: Yes, $1,100 estimated annual net profit over and above expenses, including interest, for the first five years.

Hon. Mr. Euler: That is pretty fine figuring on an expenditure of $10,000,000.

Hon. Mr. Turgeon: It is all very well to say that it is pretty fine figuring, but that is all that anybody can do. If, in our committees or anywhere else, we ask a businessman or someone else to give an estimate, he does his best, and, while it may be "pretty fine figuring", that is all one can get.

As to the question asked by the honourable senator from Churchill (Hon. Mr. Crerar) the estimated annual net revenue over and above all expenses, including interest on $10 million, is $1,100.

Hon. Mr. Crerar: Is that over the whole line? Or per mile?

Hon. Mr. Turgeon: That is the net revenue per year over the whole line; the net annual profit on the operation, after all expenses, in the first five years. For the second five years, after making provision for interest on the $10 million, the estimated annual profit is $323,000. That is a tremendous increase, but it is to be remembered that naturally, in the first five years there will not be very much production. I understand that the plant will not be properly in operation until 1954.

Some period must elapse before any newly constructed railroad can make a profit. That is true of the line we are now discussing, just as it was true of another railway, which we had a great deal of pleasure in approving, running into northern Manitoba to aid the development of the mineral resources of that province. The difference between the two cases is that here there is a guarantee. I am not a lawyer, and I cannot tell how good

the guarantee is, but I assume it was made because of the possibility that something might go wrong and that adequate traffic would not be available. On that question, however, let it be remembered that with the exception of the Pacific Great Eastern which runs north and south, and in the course of the next few months will enter the city of Prince George, this is the only railroad which will serve that part of British Columbia. The Canadian National Railways runs from Prince Rupert through Prince George, Jasper and Edmonton in any event, whether or not this forty-six miles is built. But through this forty-six mile project there will come about the huge development of the aluminum plant, which will increase very greatly the traffic of the Canadian National Railways, and will marvellously aid the development of agriculture, mineral production, and various other activities in the north-central region of British Columbia.

Hon. Mr. Roebuck: May I ask the sponsor of this bill whether all that was taken into consideration when this figure of $23 per mile profit was estimated? The honourable senator has told us that the total cost of this forty-six miles of railway will be $10 million, or approximately $200,000 per mile, and that the anticipated profit will be $1,100 for the first five years. Am I right in these figures?

Hon. Mr. Turgeon: You are right so far as the $1,100 per year is concerned. I have not worked it out per mile. The estimated revenue for the second five years is multiplied over and over again and, as I said, reaches $323,000 per year according to the railway officials. I hope that I have answered the honourable senator's question.

Hon. Mr. Roebuck: May I ask another question? You have told us that this railroad is essential to the success of the great aluminum project upon which $500 million will be expended. As this project is already under way and the company is committed to it, why has there been a delay in asking for legislation to authorize the building of this railway? Why was this not done before the aluminum project was even commenced?

Hon. Mr. Turgeon: One thing I know, that everyone from British Columbia would have been upset had the project been delayed for any reason at all. My honourable friend has asked a natural question, but if he looks back over the history of Canada he will find that this is what has always taken place in areas being newly developed. After making all the necessary arrangements, this company had to obtain certain rights from the provincial government, and if it had waited to have every single item carried out with parliamentary sanction, the project would never have been proceeded with. When this aluminum project was first under serious consideration, there was a great howl from the United States. If the promoters had said, "We must have this and we must have that" the chances are the project would never have been carried out.

Hon. Mr. Euler: I take it that the raw material, bauxite, will be brought in to this plant by water?

Hon. Mr. Turgeon: Yes.

Hon. Mr. Euler: If that is the case, could not the finished product be shipped out in the same way? Is the railway absolutely necessary? I am just asking for information.

Hon. Mr. Turgeon: The product will probably come from Jamaica and British Guiana.

Hon. Mr. Lacasse: You mean the raw material?

Hon. Mr. Turgeon: Yes, the bauxite will probably come from Jamaica and British Guiana, but some of it might come from other places. The fact that the Aluminum Company wants this railroad means that it is essential to their plans. Otherwise they would not bother to seek authority to build the railroad, and they would not give a guarantee of even $1 in connection with it.

Hon. Mr. Euler: If the raw material can be brought in by water, why cannot the finished product go out the same way?

Hon. Mr. Turgeon: It all depends upon where the product is going. In the first place, in order to construct this plant many thousands of tons of steel, copper and iron are going to be required. As I understand it, all but 5 per cent of the products going into the construction of the plant will originate in Canada.

Hon. Mr. Davies: Where?

Hon. Mr. Turgeon: A large part of these materials will be brought in by railroad. Some may come by water via Vancouver, Victoria and New Westminster, but a great deal will be brought in by rail by the C.N.R.

Hon. Mr. Euler: It could come by rail to Prince Rupert, and then be brought down by water.

Hon. Mr. Turgeon: It could come by boat to Prince Rupert and then over the Canadian National Railway to Terrace and down to Kitimat on the proposed forty-six miles of railroad.

Hon. Mr. Euler: If this railroad were not built, could not this material be brought to Prince Rupert by rail and be transported by water to Kitimat?

Hon. Mr. Turgeon: It could. The honourable senator who asks the question was once Minister of Trade and Commerce—

Hon. Mr. Euler: Why bring that up?

Hon. Mr. Turgeon: —and he knows just exactly what this means to a company which is entering into trade and commerce.

Hon. Mr. Euler: I apologize. I am not opposed to it.

Hon. Mr. Turgeon: Honourable senators, while the raw material, bauxite, will come mainly from Jamaica and British Guiana, within the last few days a report has emanated from a newspaper in Prince George that bauxite has been discovered in British Columbia, in the area between Vanderhoof and Fort St. James. It has further been reported that this is not a commercial bauxite that can be ordinarily used. On the other hand, it could be used if the company were hard pressed to obtain this material elsewhere. During the war years this area between Vanderhoof and Fort St. James produced all the mercury needed by Canada to prosecute the war against Hitler and Mussolini. This is the same general area which will be greatly developed as a result of the construction of an aluminum plant in the vicinity of Kitimat.

The questions that have been asked today bring to my mind an objection that was raised earlier as to whether this aluminum project would cause the damming of waters in that area. I will not try to specify in detail what waters will be dammed, but this marvellous project, one of the greatest works of its kind ever undertaken on this continent, will eventually affect the waters flowing into the Fraser river. It is suggested that the effect upon the waters of the Fraser river may play a part in freeing the Fraser valley from the floods that have devastated so much of that area during the last few years and in previous times.

One of the points that came up for discussion was the probable or possible effect of the construction of this great undertaking upon the fishery production of British Columbia, particularly salmon. That point was raised at the very beginning, when the company was wondering what sites it should try to secure from the government of British Columbia, and it was raised also after the present site was determined upon. I think the problem has now been solved to the satisfaction of everybody in the province, and I wish here to pay tribute to a few of those who had much to do with bringing about the solution. I wish to mention particularly the Minister of Fisheries, the Honourable Mr. Mayhew, himself a British Columbian; the officials working with him; the Minister of Lands and other ministers in the Government of British Columbia; the honourable member of the other house, who represents the district in question, who is deeply interested in fisheries and who accompanied the Minister of Fisheries to Japan for discussions on the draft of the Fisheries Treaty between that country and Canada. And especially I wish to pay tribute to one of our own colleagues, the senator from New Westminster (Hon. Mr. Reid), who is always deeply interested in anything concerning the welfare of the fishing industry. He played an important part in the solution of the problem, by doing everything he could to make sure that the aluminum plant would be so located as not to interfere unduly with the production of fish in British Columbia waters. Because of the efforts of these gentlemen, I think it can be safely said that there is no longer fear of any dispute between those sponsoring the aluminum project and the people interested in the fishing industry.

For the reasons stated, honourable senators, I ask your support of the motion for second reading of this bill.

Hon. Mr. Duffus: Can the honourable senator state about how long it will take to build the railway?

Hon. Mr. Turgeon: I am unable to give a definite answer. I should point out here that Kitimat, although inland some 90 miles, is free of ice all the year around, and I do not think the construction should take very long.

Hon. Thomas Reid: Honourable senators, I should like to say a few words on this important measure. At the outset may I thank the senator from Cariboo (Hon. Mr. Turgeon) for the kind words he said as to my part in protecting the fisheries while the location of the aluminum company's site was under consideration. It is rather interesting to me to listen to praise of the fishing industry here today. I am going to tell a little story about some of the facts behind this aluminum project, but first I want to assure this house and sponsors of the bill that I have no intention whatever of trying to block construction of the railway or of interfering with the Aluminum Company's proposal. The railway will serve a very useful purpose, but I happen to have certain information which I feel honourable senators would be interested to hear.

When the agreement between the province of British Columbia and Alcan—the Aluminum Company of Canada—was made public, I naturally had a copy of it and wanted to find out just what rights had been given to the company. What the province does is of course its own business, so I am not going to discuss provincial matters, but I may say that

we began to keep an eye on the activities of Alcan, which made application to the British Columbia water powers board for two sites in the interior of the province. We were greatly perturbed over what the board might do with the application for rights, particularly on one of these sites, which was in the Chilko Lake district, for had that application been granted more than half of the sockeye fishing industry of the Fraser River would, in my estimation, have been destroyed. Therefore we opposed that application very strongly, and so it was not granted. The company then proceeded with its application for the site at Nichako, where it is now carrying on. Those of us who raised our voices on behalf of the fisheries—I in particular—were immediately assailed, accused of wanting to prevent progress in British Columbia and of being opposed to Alcan.

Let me here answer the senator from Waterloo (Hon. Mr. Euler) who asked about the company, for I can say with pardonable pride that I have gone into this matter very seriously, and know whereof I speak. While the company is not tied up legally in any way to Alcoa, the Aluminum Company of America, the companies have what is known in law circles as a common interest. For instance, Alcan is a fully owned subsidiary of the Aluminium Company of Canada and this company is controlled by the directors of Alcoa, the United States concern. Nine directors of the Aluminium Company of Canada are also directors of Alcoa. I have maintained that no bigger cartel exists in this country than this aluminum set-up. However, that is just by the way.

Because I am interested in the fisheries and because I warned the people of British Columbia that they had better beware and keep their eyes open to protect the general public before giving away such a great natural heritage, I was accused of and branded as being against progress and against the Aluminum Company. As a matter of fact, it was stated by some prominent persons in provincial public life that my remarks were likely to chase the Aluminum Company out of British Columbia. Now, honourable senators, no statement could be more ridiculous or untrue than that, because at present you could not chase new industry out of British Columbia with a Gatling gun. The whole country out there is booming, and American capital is flowing in as never before. I have a list of the big projects under way, and I am sure you would be astounded at the size of some of them. British Columbia is getting into her stride. Why, here is an expenditure of $350 million on expansion in pulp and paper mills, there are 300 gas and oil areas or sites, there are twelve new mineral developments, and the forest industries alone are spending $450 million. All these are new projects. In the face of these facts, to say that any little argument of mine would keep this cartel or great Aluminum Company out of the province is just utter nonsense.

However, I am going to keep my remarks within moderate bounds. I realize that there is a provincial election on in British Columbia. Also I am aware that this matter is of a very highly political nature at Washington, and has been so for the past nine months or a year—I know that for a certainty. I am going to be somewhat on guard as to what I say, for I do not want to be accused of having the United States Government cancel any pending deal, or of interfering with the chances of certain candidates in the provincial election.

I want to make it clear that this is my first opportunity to say publicly that I am not against the aluminum project or the general development of northern British Columbia; neither am I against the building of the proposed railway. Just because I put up a fight on behalf of the fisheries, and told the people they were giving away one of their great heritages, and should be careful, I was accused of blocking progress.

I commend the Minister of Fisheries for his actions. I have a great deal of sympathy with what he has been endeavouring to do. May I correct the impression left by the honourable senator who sponsored this bill (Hon. Mr. Turgeon) by saying that the agreement between the Aluminum Company of Canada and the Department of Fisheries has not yet been satisfactorily settled. In all seriousness, no more hard boiled group of businessmen have ever come into the province of British Columbia than the aluminum people. It has taken between a year and a half and two years to even get the officials of this company down to the point where they will consider allowing the passage of sufficient quantities of water to enable the sockeye salmon to go farther up the Fraser river to spawn.

In answer to the suggestion that the fisheries should be preserved as a necessary source of food supply, the position taken by some persons has been: "What do the fish mean? Wipe them out, and let this company go ahead and provide more employment." It should be noted, however, that other companies requiring smaller quantities of electrical power provide far more employment than this company will give. Ultimately it will develop 1,600,000 horsepower, provided the United States government gives it further large orders. I think it is fair to say that the Aluminum Company of Canada is looking to the United States Government for orders,

and that the future development of this project will largely depend on the extent to which those orders are given. Power will be produced at a cost of about one mill per horsepower.

This company is being given the use of one of the greatest sources of waterpower known in the world. When the reservoir becomes full at the end of a period of five years, the production of power this company —unlike that of other projects whose production fluctuates with the weather—will be constant. When the proposed dam on the Nechako river is completed it will prevent the flow of water to the Fraser river; the lakes will be built up, the power will be developed and the water finally will empty into the Pacific Ocean.

Hon. Mr. Vien: Will not the dam regulate the flow of water without depleting the streams?

Hon. Mr. Reid: No; this is a unique venture. The dam, when completed, will be at the easterly end of the project; the lakes will fill up, and only the surplus water that is allowed to spill over the dam will go into the river. The water which builds up in the lakes will be directed through a tunnel, dropping a considerable distance into the turbines which are to be built in the mountains to generate power for the manufacture of aluminum.

Hon. Mr. Vien: But where is the outlet from the turbines?

Hon. Mr. Reid: It empties into the sea.

Hon. Mr. Euler: Has the water been going down to the Fraser River?

Hon. Mr. Reid: Yes, it has all been going down to the Fraser. These lakes, particularly the large one, will therefore remain more or less constant. Out of one of the lakes comes the Nechako River. When it is dammed the flow from the lakes will be stopped, and the lakes will be joined together and form one big water system.

Hon. Mr. Lambert: Am I right in my understanding that there are three lakes which are to be connected by tunnels, and that the flow from one to the other will develop a head in the last lake, where the dam will be? Did my honourable friend say that the dam would be at the eastern end of the lakes?

Hon. Mr. Reid: Yes.

Hon. Mr. Lambert: But there are two smaller lakes.

Hon. Mr. Reid: They are to the westward.

Hon. Mr. Lambert: And a tunnel connects one with the other?

Hon. Mr. Reid: They will all be joined and form one big lake system.

In fairness to the Aluminum Company of Canada it should be pointed out that the turbines are being built under the mountains, and will be protected from attack by atomic or other bombs dropped from the air. Russia, I understand, has used this system, but I believe it is the first of its type in Canada.

Hon. Mr. Paterson: My friend's explanation of the flow of the water was not quite clear to me. Is he saying that this company proposes to divert water from the Fraser River, where it is valuable for fisheries, and allow it to empty into the Pacific ocean where it is of no value from a fisheries standpoint?

Hon. Mr. Reid: That is correct. To follow that up, the president of the company calculated the importance of his company's project on the basis of a production of 500,000 tons of aluminum per year, and compared that to the value of the salmon products from that area. Naturally, the comparison was not favourable to the fisheries. I may be regarded as old-fashioned in my thinking, but I believe that we should not overlook the fact that our fish are a food product which is not unlimited, and we should therefore do our best to protect it.

Perhaps I am being too boastful, but at least one good thing has come out of my agitation on behalf of fisheries—although this has nothing to do with the powers of the Dominion Government. The agreement with the province would allow the Aluminum Company of Canada to flood a forest area comprising some fifty million feet or so of timber, which would be utterly destroyed. As a result of protest, however, negotiations have been carried on between the Powell River Pulp and Paper Company, the Aluminum Company of Canada and the railway people, and I believe this timber is to be salvaged. Even when I opposed the destruction of this timber I was accused of being opposed to the aluminum project; and I emphasize today that I am pleased that the provincial government has seen fit to arrange for the salvage of what I estimate to be about fifty million feet of merchantable timber.

I repeat, I commend the Honourable Minister of Fisheries for his efforts, and I sympathize with him in his fight with the Aluminum Company of Canada. Indeed, a fight on behalf of fisheries has been going on for over two years. The company have told us that there are no sockeye salmon in the area affected. Of course that is true. We never said there were any. But when one realizes that this development is going to cut off 80 per cent of the water that flows from

that district into the Fraser River, one will readily appreciate how seriously such interference would affect the salmon which go up the Fraser River to spawn in the lakes above, because when they come up to spawn they require water of a certain temperature, and shallow water would be too warm for any sockeye salmon to survive.

Hon. Mr. Euler: Does my honourable friend say that these salmon are now sufficiently protected?

Hon. Mr. Reid: No. A final agreement has not yet been reached. The engineers of the International Pacific Salmon Fisheries Commission, in co-operation with engineers of the Dominion Fisheries Department, have been advising the minister to enable him to inform the company's officials as to what precautions are necessary. It was pointed out that the fish need a certain quantity of water, and not only that, but water of a certain temperature. These negotiations are not complete, although they have been carried on for over a year and a half.

Over a year passed before the heads of the company would even bring themselves to discuss with the minister and the departmental engineers what should be done. At one time they said they would do nothing. We know that the aluminum project will provide employment to villages and towns, perhaps for as many as 20,000 people; and I am glad to say that negotiations are tending to an agreement. But an agreement has not yet been reached, and if it should be finalized on the basis of such information as has been provided, I doubt that what is being suggested by the company will protect the sockeye salmon which go to the upper reaches of the Fraser. Last year these spawning salmon numbered something like 2 million, representing a value of at around $2 million a year to our fisheries industry.

Hon. Mr. Vien: Have the departmental officials approved the bill?

Hon. Mr. Reid: I do not think so. I am coming to another point, and I have a suggestion to make. I believe it is high time that what I am about to suggest should be carried out.

Hon. Mr. Davies: Has the diversion of this water in any way affected farm lands?

Hon. Mr. Reid: Up to the present no farm has been affected, because the dams are still in process of construction. But when they are completed, certain agricultural lands and some Indian properties will be flooded. My information is that compensation is being offered or made or agreed upon for the settlers who will be flooded out and the Indians who will be compelled to move.

This brings me to the suggestion I have in mind. We have witnessed in the State of Washington what can happen to the fisheries when people give little thought to the serious effects on fisheries resulting from the building of dams for hydro-electric purposes. Our commission has taken the attitude that dams can be constructed at various points on the Fraser River without damage to the salmon. Bear in mind this Alcan Dam is just the beginning of hydro development in British Columbia. As I have already stated, industrialists with millions of dollars of investment capital are flocking into the province, and industrial development is advancing by leaps and bounds. The attitude of these people is more or less like this: "What about a few fish? Progress must go on. We want electrical power and you need employment." Arguments of that kind, of course, are very hard to circumvent.

If I had time this afternoon I could demonstrate how the people of British Columbia are being conditioned, by propaganda of all kinds—propaganda paid for by these companies, to that very way of thinking—that progress means dams and electric-powered industries—so why bother about a few fish? Wipe them out. In the past two years almost every little newspaper in the interior has been carrying that kind of propaganda, and I believe these power advocates also have the support of the Vancouver press, because our papers keep pounding on the theme, "British Columbia needs industrial development, and we cannot afford to pay much attention to the men—including Tom Reid—who are talking about fish." Recently I read an editorial attacking me for standing in the way of progress because I have championed the fisheries and have warned the people of British Columbia to watch what they are giving away. The fact that I have given this advice does not mean that I am opposed to these enterprises. All I demand is that the people be fully safeguarded—and from my reading of the agreement I am not too sure that they are.

I know that the Dominion Government and the Minister of Fisheries, particularly the Minister, have been doing their best to get the provincial authorities to co-operate. So far, I am sorry to say, the co-operation of the provincial government has been nil, because they may be described as "power mad", and as fisheries are under the control of the dominion, apparently they mean little or nothing to the Government of British Columbia. When the State of Washington was aroused to do something, it was too late: the stable door was locked after the horse was stolen. Washington has amended its state

laws to provide that before any dam can be built the matter shall be referred to the fisheries department to ascertain what, if any, will be the effect of the dam on fisheries. Although in Canada building of dams is entirely under provincial jurisdiction, I think the Dominion Government should try to induce the provincial authorities of British Columbia to insert a similar proviso in its statutes. Companies which intend to build dams on the Fraser river or other watersheds should be required to place their programs and their plans before the Fisheries Department.

We talk a great deal about provincial rights. I would be the last man to advocate any limitation of those rights, but sometimes I wonder at the attitude of provincial governments when they are handling matters of this kind. If I may digress for a moment I would refer you to the Alberta Government which has under its control the oil and gas resources of that province. The way it exercises its responsibilities is of interest to all of us as Canadians. Yet it might happen that a provincial government would refuse to allow any use of these resources for the benefit of the rest of Canada. The same consideration applies to the development of other portions of our national heritage. In this respect, what affects the people of British Columbia may well affect the economy of the people throughout the other nine provinces. So, while I am not suggesting that the Dominion Government should interfere with the rights of the provinces, I believe it should give more attention to and take greater interest in what is going on in, at least, some of our provinces.

Hon. Mr. Paterson: Can the honourable senator tell us whether it is the intention to sell some of the power from this project, or is all of it to be used in the manufacture of aluminum? And is the bauxite to be manufactured at Kitimat or at Prince Rupert?

Hon. Mr. Reid: A new method has been developed in the handling of bauxite. In the past, aluminum has always been manufactured in Canada from bauxite brought into this country from the West Indies and other places. Nowadays, the countries which produce bauxite are smelting it and reducing it into a product known as alumina. In other words, for approximately four parts of bauxite Canada can bring in one or two parts of alumina, and this effects a saving in freight. This product still comes into Canada by ship, and as far as I know there is only a sprinkling of bauxite to be found on the continent of North America.

As to the honourable senator's question about electric power, it has not yet been ascertained what will be done with it. This company will have the exclusive rights over the electric power. One honourable senator has suggested that this electric power could be used to operate the railroad between Terrace and Kitimat, and I think this is a matter which could be properly discussed in committee.

Honourable senators, it is well known that a great cartel controls most of the companies that manufacture sheets and other articles from aluminum. The Aluminum Company, realizing the profits that can be made, have gone into the business of manufacturing sheet products from ingots, and to a large extent they now financially control this secondary phase of the industry. As they have not established any of these secondary plants where the aluminum itself is manufactured, I would urge the Dominion Government, if it authorizes the building of this railroad, to take steps to prevent these plants from being established, say, in the United States, where the citizens of British Columbia would not benefit from the employment angle. I feel that this is a reasonable request.

In connection with one of the railway bills we passed last year, the mining company concerned made a contribution of $5 million for the construction of a railroad, and at the same time it stated that its mine was giving employment to some 3,000 men. In this instance, however, we are giving this company a great deal and not asking for anything in return. I am going to leave what I have to say about this until we are in committee—I suppose someone there will accuse me of being opposed to the Aluminum Company.

Hon. Mr. Euler: That does not matter.

Hon. Mr. Reid: I know, but when you get into high places you are accused of certain things. When I was a member of the House of Commons the leader of the CCF party in British Columbia said that he would like to have me summoned before a committee of the British Columbia Legislature which was inquiring into the aluminum agreements. When my name was mentioned, the Honourable Mr. Kenney referred to me at Victoria as "that CCF member". Well, I have been called far worse names than that. I had my bags all packed and was looking forward to appearing before their committee, but I was not invited. I am not worried about what people think of me as long as I believe that what I say is in the best interests of all our people. The man who stands up and fights the people's battles must expect criticism. I realize that it would not be safe for me to go into the north country at the moment. Everyone there is making money and the picture is a glowing one right now; but, to repeat what I said before, some day somebody is

going to stand up and curse those who signed the Alcan agreement, because it is not in the best interests of all the people.

When it comes to the question of electric power, I think the Aluminum Company will have the say as to who will get power and who will not, and although the price may be controlled by a board in Victoria, the Aluminum Company will be able to make it most awkward for any company which it frowns upon.

Hon. Mr. Horner: Is the honourable senator in favour of this railroad being built by the Canadian National Railways?

Hon. Mr. Reid: Yes, I am in favour of this railroad being built as long as proper safeguards are taken. I want to know more about the guarantee clauses. Just because I am asking these questions I do not want to be accused of being opposed to the construction of this railroad. I have said nothing against the building of the railroad, but there are certain questions that I should like to ask about it in committee.

Hon. Mr. Lambert: Would the honourable senator be willing to say that the bulk of the revenue of the railway will come from the aluminum products carried by it from Kitimat?

Hon. Mr. Reid: The railway is going to have a wider use than the carrying of the aluminum ingots. There is a town there of 7,000—

Hon. Mr. Horner: A city.

Hon. Mr. Reid: I do not call a place of 7,000 a city—which will require all kinds of services. As a result of the building of this railroad I can see other industries, perhaps pulp and paper, being developed in the area in which this town is situated. Like the honourable senator from Waterloo (Hon. Mr. Euler), I believe that some of the aluminum may go out by water, especially if the railway freight rates are a little higher. The Aluminum Company are not in business just to develop industry in British Columbia; they are out to make a profit—and I am not at present finding fault with that.

Hon. Mr. Lambert: The Canadian National Railways must have some idea of what the revenue-producing traffic will be, and basically it must be aluminum. Certain developments will follow the building of the aluminum plant, and the railway authorities must have some idea of the character of the traffic that will result. Profit figures have been mentioned with relation to this forty-six miles of railway, and they must be largely based on the aluminum that will be carried.

Hon. Mr. Reid: For the first five years the C.N.R. will profit by some $1,100, and it is prophesied that this profit will be increased to something like $300,000 over the succeeding five years. I have no doubt that the Aluminum Company have given the assurance that the aluminum-ingot traffic will increase to that extent. I do not know as to that; but at the beginning of my remarks today I did mention that a great deal of the development would depend upon what further contracts the company got from the United States government. And, as I said earlier, I am trying to be careful in my statements, for I do not wish to interfere with their obtaining any further contracts.

Hon. Mr. Horner: Will those large areas of water that the company is damming remain permanently as lakes?

Hon. Mr. Reid: Yes.

Hon. Mr. Horner: Well, it might be good business for the railway to suggest that they be stocked with good fish from Saskatchewan. For one thing, you would not need to worry about competition from Japanese fishermen there.

Hon. Mr. Reid: Can good fish be got in Saskatchewan?

Hon. Mr. Horner: Our lakes are full of them. We have trout up to 50 pounds, better fish than your Sockeye salmon.

Hon. Mr. Reid: In closing I just wish to point out that the company have been very generously treated. They have not been in British Columbia very long, and have obtained rights to a valuable heritage and now we are going to build them a railway to facilitate their undertaking. Besides that, even before the plant has got into operation, the company have been allowed accelerated depreciation of more than $70 million. So no one can say that the federal government and the provincial government have not acted generously towards this company.

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

REFERRED TO COMMITTEE

Hon. Mr. Turgeon: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

NEW WESTMINSTER HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 193, an Act respecting the New Westminster Harbour Commissioners.

He said: Honourable senators, this bill provides for the extension of the boundaries of the harbour of New Westminster, and for a loan to the harbour commissioners for the purpose of constructing additional dockage facilities.

The New Westminister Harbour Commissioners were incorporated by Chapter 158 of the Statutes of 1913, and were given jurisdiction over the harbour of New Westminster from the eastern end of Douglas Island to the Sandheads. In 1938 the harbour was extended to include a small area lying between the harbour of New Westminster and the North Fraser Harbour. In 1951 certain water-lot properties in the Fraser river and the Pitt river, which were formerly administered by the Department of Resources and Development as part of the Railway Belt lands, were transferred to the administration of the Department of Transport. It is now proposed to extend the boundaries of the harbour to include these water-lots, which will be placed under the jurisdiction of the Harbour Commissioners and be used for industrial sites in connection with water-borne transportation. The boundaries of the harbour would be extended eastward in the Fraser river to Kanaka creek, and northeastward in the Pitt river as far as Pitt lake.

The bill provides for a loan of one and one-quarter million dollars to be made to the commissioners out of the Consolidated Revenue Fund. At the present time there is not sufficient dockage at the Port of New Westminster to handle the traffic, and there is no publicly-owned wharf terminal. Five private berths are owned and operated by Pacific Coast Terminal Limited. Two city-owned wharves are operated under lease by private operators. On the south side of the harbour, across the Fraser river, there are two berths owned by Fraser Mills, and three berths at the grain elevator leased to private interests.

A number of shipping agencies have made representations to the commissioners, pointing out the insufficiency of dock facilities for present and future traffic requirements.

In 1946 the city was surveyed by Harland Bartholemes for a future town planning scheme, including the waterfront. This survey envisaged a frontage as now proposed, extending eastward from the present city dock frontage to Patullo bridge. In line with this report, the city wishes in time to release all interest in its waterfront property, and with this objective in mind it has asked the harbour commissioners to take over the most easterly portion of its docks. For the development of additional dock frontage the city is also prepared to convey to the Crown the adjacent waterfront property lying eastward for a distance of 1,500 feet. The commissioners propose to construct dockage facilities on this property, and have asked for the loan for this purpose.

In 1913 the City of New Westminster, after having a by-law endorsed by the people, invested $500,000 on its own docks. So far as I know, it is the only city which has adopted this procedure to provide dockage facilities for public use.

In recent years the port of New Westminster has made substantial progress, which is reflected in the increased traffic moving in and out of the port. In 1951 the port handled 394 deep sea ships, with a total tonnage of 936,320. Besides, there were 1,926 coastal vessels, which carried a freight of more than 2 million tons. Trade to all countries is on the increase. It has jumped very considerably this year, and the port is looking forward to a renewal of business with ships from Japan, Germany and other countries.

The exports from the port are chiefly lumber, apples and metals. About 500 million feet of lumber are shipped out of there every year.

United States defence authorities consider that this port, in view of its rail connections to the United States points via the Great Northern, Northern Pacific and other American railroads, would be a logical operating point for defence shipments.

With the major industrial development now proceeding in British Columbia and the adjoining province of Alberta, it is essential that adequate deep-sea dock facilities be constructed to take care of traffic moving in and out of the port of New Westminster.

At present the commissioners have outstanding a loan of $974,000 from the government, which loan was made many years ago to provide money for an elevator.

Hon. Mr. Duff: Is that $974 thousand or $974 million?

Hon. Mr. Reid: It is $974,000. The interest on this loan has always been paid. True, during a few of the war years shipping out of the port dropped, and they went behind on the interest; however, this has since been paid up.

The new loan is for $1,250,000. I would suggest that after the bill has been given second reading it should be referred to a committee where the details can be fully discussed.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Reid: I move that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 22, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King, P.C.) in the Chair.

Prayers and routine proceedings.

CANADIAN FORCES BILL

FIRST READING

A message was received from the House of Commons with Bill 224, an Act respecting the Canadian Forces.

The bill was read the first time.

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

Hon. Mr. Robertson: Monday next.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill L-9, an Act for the relief of John Harold Roger Wright.

Bill M-9, an Act for the relief of Agathe Neubauer Landsberg.

Bill N-9, an Act for the relief of Norma May Attridge Chilton.

Bill O-9, an Act for the relief of Andrea Gendron Repper.

Bill P-9, an Act for the relief of Edith Bessie Franks Parsons.

Bill Q-9, an Act for the relief of Annie Teresa Nash Pelltari.

Bill R-9, an Act for the relief of Marie Clemence Morice Waldbauer.

Bill S-9, an Act for the relief of John Gordon Smithers.

The bills were read the first time.

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

Hon. Mr. Haig: Monday next.

PRIVATE BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Miscellaneous Bills to Bill F-7, an Act to incorporate the Equitable Insurance Company.

Hon. Mr. McDonald: Honourable senators, I move the adoption of these amendments.

Hon. Mr. Vien: Explain the amendments, please. What is the nature of them?

Hon. Mr. Vaillancourt: The purpose of the amendments is to change the name of the company to "Equitable Fire Insurance Company of Canada". This change was considered desirable in order to avoid confusion, since three companies known as the Equitable Insurance Company are already operating in Canada.

The motion was agreed to.

THIRD READING

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

Hon. Mr. McDonald: Honourable senators, I move that the bill as amended be read the third time now.

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

GOVERNMENT EMPLOYEES COMPENSATION BILL

SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill 195, an Act to amend the Government Employees Compensation Act, 1947.

He said: Honourable senators, I was very pleased last evening when it was suggested by the leader of the government (Hon. Mr. Robertson) that I move the second reading of this bill. I say that because of my experience with certain provisions of the Government Employees Compensation Act passed in 1918 and as amended in 1931 and 1951.

During the war years, in 1942 or 1943, I recall that an employee in the Halifax dockyards contracted a skin disease while handling ammunition. It covered not only his hands and face, but his entire body, and seriously affected his eyesight. There was no provision for treatment or compensation at public expense, and to this I felt the employee was entitled. I know there have been similar cases presenting the same problem, but this was one to which my attention was drawn.

Section 8 of the present Act provides for compensation to an employee who is disabled or dies from any disease for which compensation is payable under the Workmen's Compensation Act of the province in which such disease was contracted.

The amendment contained in the bill before us is merely an enlargement of that section. As honourable senators know, each of the ten provinces has a Workmen's Compensation Act. In the four maritime provinces the Acts are perhaps not as wide in their scope

as are those in Ontario or in the Western provinces. This bill would bring about in all provinces a uniform interpretation with respect to diseases for which compensation may be received. The new section 8, as contained in the bill, reads as follows:

> The governor in council may make regulations prescribing the conditions under which compensation is to be payable, the amount of compensation payable and the manner in which the compensation is to be determined, in respect of any employee who is disabled or whose death is caused by reason of any disease that is not an industrial disease but is due to the nature of his employment and peculiar to or characteristic of the particular process, trade or occupation in which he was employed at the time the disease was contracted, and compensation shall be awarded to such employee or to the dependents of such deceased employee in accordance with the regulations.

That, honourable senators is the explanation of the amendment contained in this bill.

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

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

Hon. Mr. Vien: Is it intended that this bill should be referred to a committee?

Hon. Mr. Isnor: As this measure is merely an extension of one of the sections of the Act, I had not thought it necessary to move that it be referred to committee, subject, of course, to any request that it be so referred.

Hon. Mr. Vien: Third reading at the next sitting of the house.

The Hon. the Acting Speaker: Next sitting.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I move that when the house adjourns today it do stand adjourned until Monday, May 26, at 8 o'clock in the evening. I do this because, the Orders of the Day having been disposed of, I know of no public interest which will suffer as a consequence of such adjournment. Consideration of the Criminal Law bill is well in hand: the Standing Committee on Banking and Commerce are giving it most detailed examination.

Next Monday evening it is my intention, unless something unforeseen should intervene, to go ahead with motion No. 3, respecting the continuation of certain sections of the Emergency Powers Act. The following day the deputy leader (Hon. Mr. Hugessen) will move Motion No. 2, to approve The Supplementary Extradition Convention and I hope that the honourable senators who have undertaken the responsibility of moving the two other motions will proceed with them as soon as they conveniently can.

The motion was agreed to.

The Senate adjourned until Monday, May 26, at 8 p.m.

THE SENATE

Monday, May 26, 1952

The Senate met at 8 p.m., the Acting Speaker (Hon. J. H. King, P.C.) in the Chair.

Prayers and routine proceedings.

EMERGENCY POWERS ACT

MOTION POSTPONED

On the calling of the motion:

That an address be presented to His Excellency the Governor General respectfully praying that sections one to three of the Emergency Powers Act be continued in force up to and including the 30th of May, 1953.

Hon. Mr. Robertson: Honourable senators, on Thursday last I said it was my intention to go ahead with this motion this evening. However I prefer to deal with it tomorrow, and therefore ask that it stand.

The Hon. the Speaker: The motion stands.

CONSUMER CREDIT (TEMPORARY PROVISIONS) ACT

MOTION

Hon. J. W. de B. Farris moved:

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

To His Excellency the Right Honourable Vincent Massey, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada.

May it Please Your Excellency:

We, Her Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, respectfully approach Your Excellency praying that the Consumer Credit (Temporary Provisions) Act be continued in force until the thirty-first day of July, one thousand nine hundred and fifty-four.

He said: Honourable senators, this Act which is now to be extended, was passed in 1950, being Chapter 3 of the Statutes of that year. Perhaps I should read the preamble:

Whereas in the preamble to the Essential Materials (Defence) Act it is recited that in order to avert possible disruption of the defence preparations therein referred to, to lessen the resultant disruption of normal trade and commerce and to prevent economic disorder and hardship on a national scale, it is essential in the interest of Canada as a whole to provide for the control and regulation of the production, distribution and use of the materials and services therein referred to; and such defence preparations may be expected to expand purchasing power and the demand for consumer goods, and at the same time limit the quantity of consumer goods available for ordinary or civilian requirements; and it may therefore be necessary, as a further measure to counteract possible adverse effects of these developments upon such defence preparations, normal trade and commerce and the economic life of the nation, to take steps to restrain the expansion of purchasing power and the demand for consumer goods by preventing inflationary expansion of currency and credit; and it is therefore essential in the interest of Canada as a whole to provide for the restriction of consumer credit:

Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

And so the Consumer Credit (Temporary Provisions) Act was enacted, with a limitation as to its duration. It expires, I think, in July of this year.

The motion now before the house is in accordance with the provisions of the Act, which makes possible the extension of the legislation, upon the recommendation of both Houses of Parliament, for a further two years.

It appears that in October, 1950, after the legislation was enacted, an order in council was passed providing for a down payment of 33⅓ per cent of the purchase price of motor vehicles and 20 per cent of the purchase price of other consumer goods, and limiting the period of payment to eighteen months. In March 1951 these provisions were modified: for motor cars being raised from 33⅓ per cent to 50 per cent, and for other consumer goods from 20 per cent to 33⅓ per cent. At the same time the period of payment was reduced from eighteen months to twelve months.

On May 5 last Honourable Mr. Abbott announced in the other place that these restrictions were for the time-being completely suspended. I think I should read what he said at that time, as an indication that the suspension might not always continue. He said:

The situation with respect to consumer credit is now such that I believe we can safely suspend the operation of these regulations. However, if conditions made it necessary, I would have no hesitation in recommending the reintroduction of consumer credit controls, and in view of existing uncertainties I believe the present legislative basis for such control should be maintained. For this reason the government will invite both houses of parliament to present addresses to the governor general praying that the Consumer Credit (Temporary Provisions) Act be continued for a further period.

The motion I have moved would extend the Act for two years. If honourable senators agree that the measure as originally passed was justified, its extension at this time for a further two years is justified. There is nothing in present conditions to assure us that anything will or will not happen. None of us relish the idea of restrictions of this kind, unless they are necessary; but as long as the present government is entrusted with authority power, and conditions continue as they are, it seems only sensible that it should not be hampered in using its judgment to meet any unforeseen circumstances which may arise.

Hon. Mr. Roebuck: May I ask the honourable senator whether the extension of the Consumer Credit Act is for the purpose of preventing a further fall in the purchasing power of the Canadian dollar, or is it to give the government priority in obtaining goods for manufactures which are needed for defence purposes?

Hon. Mr. Farris: I suppose that it is for any purpose which, in the light of the object for which this measure was enacted, the government may think justified. It might be either one or both of the purposes the honourable senator has mentioned.

Hon. Mr. Roebuck: Any others?

Hon. Mr. Farris: Or any others.

Hon. Thomas Reid: I do not suppose that any law has ever been placed on the statute books in which someone has not tried to find a loophole. While I commend the extension of this measure, I wonder whether any consideration has been given by the government to a practice which, whether nation-wide or not, has gone on quite extensively in the province from which I come. In order to evade the restrictions imposed by the Act, some merchants have advertised that on receipt of any old cup a customer would be allowed a credit of $100 on the article advertised. I have seen such notices in the Vancouver daily papers relating to various types of merchandise, for instance Frigidaires and other household goods. In effect, these merchants said, "Bring around any old cup and saucer, whatever its value, and we will credit you with $100". In so doing, these advertisers, while endeavouring to keep within the law, were also taking advantage of competitors. I do not say they were unscrupulous, but it seems that they were unfair and attempting to evade the purpose of the Act. I suggest that something should be done to prevent this kind of thing.

Hon. Mr. Farris: Assuming that my honourable friend is asking a question, I will say I am sure that, when occasion arises to renew the Act, the minister will greatly appreciate having his attention called to this matter. From what I have seen of the success with which one hole after another in income tax law has been plugged, I have no doubt the government will be able to plug this one as well.

Hon. John T. Haig: I do not rise to oppose the motion, but I must admit an innate disposition to oppose legislation which interferes, especially within the country, with freedom of trade. Last May, when I went with a friend of mine to Montreal to take delivery of a car, I was told that as a consequence of this legislation, over five hundred British automobiles which had been landed in Canada were being returned to the Old Country, with a loss to the British manufacturers of the cost of transport both ways. What we lost—and this is the point I am making: I am not discussing the interests of the British manufacturer or the British people—was the prospective market for our goods which the sale price of those five hundred cars would have provided. You may say that is not very much, but all these little things "make a muckle".

As far as these credit restrictions are concerned, I can see no difference between today and a year ago. The minister tried to point out that the cost of living had gone down a little; but honourable senators will realize that this is true only to the extent of the loss suffered by the farmers as a result of the hoof-and-mouth disease which broke out in Saskatchewan in February. Had there been no such disease there would have been no drop in the market at all. The cost of meat products, which forms a large item in the cost of living, has gone down. Canada is now making a meat deal on which we are paying out 25 cents a pound. I am not criticizing this, and I think that under the circumstances it is a wise move.

My point is that I do not believe credit restrictions are being taken off because there is any real downward trend in our cost of living. On the other hand, it can be said that taxes have substantially increased, and that Canadians are paying tremendously high taxes on municipal, provincial and federal levels. I believe that the tax situation is worse than it was a year ago. Therefore, if there was reason to impose credit restrictions a year ago there is every reason for maintaining them now. Why are the credit restrictions being taken off? I listened to the speech made by the minister in the other house, but he offered no reason for removing them. There is no reason for taking them off. As a matter of fact, there never was any reason for putting them on.

The honourable senator from New Westminster (Hon. Mr. Reid) need not think that the merchants of his city are the only ones who can play fast and loose with the law. I think he would find that the same thing is going on in Winnipeg, Toronto, Halifax, Victoria, Regina, Saskatoon, and other cities across the dominion.

Hon. Mr. Farris: You have left out Vancouver.

Hon. Mr. Haig: Because the honourable gentleman named Vancouver.

Hon. Mr. Farris: No, New Westminster.

Hon. Mr. Haig: I was just pointing out the places where unscrupulous merchants live.

If my honourable friend is hurt because I did not include Vancouver, I can easily do so. The thing I cannot understand is that the party which has been imposing all these trade restrictions in recent years is the Liberal party. These are the same people who, since the time I was a boy, have always accused the Conservatives of following the policy of imposing trade restrictions. Here is a restriction which says I cannot purchase a washing machine unless I pay one-third down. I suppose I do not think any more of my wife than my colleagues think of their wives, but I would hate to see my wife washing clothes by hand on a wash-board the way my mother used to do. Why should my wife be penalized if I am too poor to finance a one-third down-payment on a washing machine, or on an electric stove a gas stove, or a Frigidaire?

I think I told you this story before, but perhaps I did not. A lady from Miami, Manitoba, who came into Winnipeg to attend a provincial meeting of a church, visited our home. My wife with very great pleasure displayed her new washing machine, and her late model Frigidaire and electric stove, and explained how they all worked. The visitor, who was a very smart woman, said "I think they are very nice indeed, Mrs. Haig. I have the same kind at home." Now, why should she not have the same kind? But if these restrictions are imposed the average young family just starting out has not enough money to buy these things. Maybe it is a mistake to extend credit freely; maybe that does result in putting a false price on many goods; but still I do not think we should interfere.

I was surprised when from my seat in a gallery of another place I heard the Minister of Finance say he was going to ask for an extension of this Act. I seriously suggest that unless we have war with Russia this Act will never be used again. One experience was enough, and the government will not wish to repeat it. This request for an extension of the Act may be a nice face-saving procedure, but I repeat my belief that the Act will not be enforced again unless, as I say, war breaks out with Russia—a condition that I attach to every forecast I make.

Hon. Mr. Hugessen: So does the government.

Hon. Mr. Haig: I think the Act is useless, and that the request for its extension is merely a pretence at doing something to bring down taxes and the cost of living. We all know that the proposed extension will not have this effect, and that it probably will only result in causing dealers in some British or French goods to get caught, as they have got caught in the past, with a lot of stock on hand, which will have to be sent back where it came from.

Hon. Wishart McL. Robertson: Honourable senators, I have listened with a good deal of interest to the statement of the leader opposite (Hon. Mr. Haig) that this legislation has been ineffective in the past and is not likely to be invoked in future, unless we have war with Russia. I would point out to him that in the troubled and uncertain times in which we are living, wars not specifically proved to be or designed as wars with Russia have had an effect upon the economy of this country very closely approximating the effect of total war. As an instance of what I mean I cite the outbreak of hostilities in Korea.

My friend referred to the restrictions that have been imposed from time to time since the World War II, and says that their removal has not been rapid enough to be consistent with Liberal principles. My own general view has been that our experience during the period of total war and the subsequent period when we were recovering from the effects of that tremendous struggle, combined with the situation that we faced on the outbreak of war in Korea, which led to a widespread public feeling that it was desirable to build up a stock of arms and other equipment against the unknown future, all created a condition which would have caused any government, no matter what its political traditions, to feel itself in duty bound to take what appeared to be reasonable precautions to protect the purchasing power and the standard of living of the people. Among the steps that were taken was the bringing into force of this Act and the passing of regulations under it.

My honourable friend said the Act was not necessary when it was passed, and that the conditions which existed then were no different from those existing now. I suggest to him that that statement is not correct. He referred to credit restrictions on the purchase of a variety of goods, particularly automobiles. Now, the retailing of automobiles and motor trucks is a business of which I have some knowledge, for almost the whole of my adult life prior to the assumption of my present responsibilities was spent in that business. My experience in it dates back to just before the First Great War. In common with all those engaged in the business I found gradually increasing sales, which reached their peak in 1929 and 1930, just prior to the great depression. As I listened to the senator from Vancouver South (Hon. Mr. Farris) and the leader opposite (Hon. Mr. Haig), my mind went back to the unfortunate circumstances in which purveyors as

well as purchasers of motor cars and trucks found themselves during 1929 and the next few years, because of the large number of vehicles that had been sold on credit. It is interesting to note that just prior to 1929 the maximum terms of credit were one-third down and the balance within twelve months. It was rumoured at that time that some people, in their desire to make sales, were extending credit terms even up to eighteen months. Soon after that, as honourable senators remember, unfortunate circumstances arose and spread throughout the whole structure of the automobile business; indeed, there were very few purveyors of cars, or of any products related to that business, who were not on the verge of bankruptcy. The purchasers of automobiles whose payments extended over a period of twelve months, and in some cases eighteen months, found themselves unable to continue the payments, and their equities disappeared.

I am as certain as I am that the sun will rise and set, that if prior to the economic crash of 1929 some authority had exercised control over the extension of credit on all items, both in Canada and elsewhere, the severity of the depression would have been greatly minimized. True, everybody wants freedom to satisfy his own desires. But I, as one engaged in the automotive business, would have preferred to have some authority step in and police my freedom of action and that of my competitors. Such intervention would have been good for me and for my competitors, and in the final analysis the purchaser would not have lost all he had.

When this Act and the regulations thereunder came into force, an unprecedented extension of credit in one form or another had developed in Canada. This alarming situation applied not only to the automobile business, but to the house-furnishing business and many others. Heartbreaking appeals, such as the honourable leader opposite (Hon. Mr. Haig) has just made, were put forward, and the suggestion was made that it was unfair to restrict young people who, in blissful ignorance of the consequences, were mortgaging their futures. We may never know how many young people, as a consequence of the restrictions which this legislation imposed, were saved from creating for themselves intolerable financial burdens.

The leader opposite brought up the rather remote argument that this credit restriction legislation caused the return of some five hundred English cars to the Old Country, with a resultant loss to us of a market there. It is of course inevitable that with the imposition of credit restrictions some people will not be able to buy cars; but that is true of Canadian and American cars, as well as of those manufactured in England. I have some personal knowledge of the subject, for the business in which I was interested, and which I have now disposed of, had an agency for English cars in Nova Scotia. At the time of which I speak the public in Great Britain had been denied the right to purchase cars because of an attempt on the part of their government to stimulate export trade. Consequently, many of the shippers from the Old Country lost no time in taking back the unsold automobiles, to be disposed of in ready markets elsewhere. Further,—and this is typical of other lines of business as well as the automobile industry—I was amazed to learn how much of credit was being carried under the long term agreements.

I concede to the honourable leader opposite that such legislation as this does curtail of the rights and privileges of persons to mortgage their futures. But such restrictions have come out of the extraordinary conditions of war and post-war years. For my part, I believe that when the history of Canada is written, and a proper perspective is gained, it will be obvious that the government of which I am a member, in its exercise of controls during the war and post-war years—controls which the United States and other countries in the western world have to a more or less extent exercised—has rendered a great service to the people of this country. It will also then be apparrent that much of the expansion of our economy can be attributed to the foresight and courage displayed by the government during those troubled and uncertain years.

There may be instances, such as the leader opposite mentioned, in which our evasion of the rules has been attempted by some business people; there may also be cases such as were indicated by my honourable friend from New Westminster, (Hon. Mr. Reid), when honest men who played the game were placed at a disadvantage by the actions of "chisellers."

The honourable senator from Vancouver South (Hon. Mr. Farris) has pointed out that if circumstances make it necessary the government may exercise its judgment in reimposing credit restrictions. The basic principle is that the present government has assumed responsibility for the general health of the economy of this country, and this it has done successfully. Whether or not circumstances will make it necessary to invoke restrictions during the period for which this motion would extend the Act, I do not know; but if circumstances make a change necessary, and the government devises and carries out the regulations as fairly and successfully as it has in the past, we will have

nothing to fear for the future of our economic development.

Hon. A. W. Roebuck: I have already asked the mover of this resolution whether the extension of these powers is for the purpose of protecting the Canadian dollar from a further fall in purchasing power or is designed to obtain for the government a priority in the purchase of goods for war purposes. The answer was, either. But it seems to me, if I may be permitted to answer my own question, that the purpose is the first, not the second, because the government has other means of giving itself priority in the obtaining of goods; and so far as I know it is encountering no difficulties in that direction. The real purpose of giving this power to the executive is the protection of the Canadian dollar from a further decline in purchasing power; and it seems to me that the subject again brings up the inquiry, how long will it be before this and other nations get back to honest money?

There was a time when we in Canada, and the people of Great Britain and of other places, had a dollar or other currency unit which was intrinsically worth what its face betokened. In my young days the British pound was regarded as, to use a common expression "safe as the Bank of England". It was reliable because British money at that time was a promise to pay something whose intrinsic value was the exact equivalent of the promise to pay. So meticulous were the English people in days gone by that their money should be honest money—a promise to actually pay something which was worth something—that they even paid out of the public treasury the cost of the printing or the minting of money. The promise it involved of delivery of gold upon demand was the promise of the exact equivalent on the market of the face value of the unit of purchasing power. Undoubtedly that condition would have continued indefinitely both here and there, had it not been for the outbreak of war in 1914, and the change in the character of war which then occurred. Previously wars were fought by champions, men who, at least in England, enlisted voluntarily, and who, because their numbers were not so great, were supported without much inconvenience by the industry of those who stayed at home. But beginning in 1914 a completely new type of war was evolved,—a war, not of champions, but of nations. The whole of the national economy in Canada and in Great Britain was devoted to one purpose, the winning of the war, and—I suppose, inevitably—the method of financing was very largely a series of promises to pay. We commenced the war of 1914 with the issue of promises to pay gold. But so great was the volume of our promises that the possibility of fulfilling them in that way became impossible. So we abolished the honest money of previous days and resorted to the kind of money which we and all other nations have adopted; that is to say, an irredeemable paper currency, backed with nothing but an effervescent, intangible promise of governments.

Hon. Mr. Reid: Confidence.

Hon. Mr. Roebuck: Just confidence, that is all. We adopted the most dishonest form of money that there is, because nowadays the money of all nations, including our own has no substantial backing; and as the honourable senator from New Westminster (Hon. Mr. Reid) has remarked, it depends for its value upon sentiment, upon the confidence of people; and as soon as that confidence disappears, so also does the value of the money. The result is that the purchasing power of this money decreases. The promises made at the beginning of the war of 1914, then to be redeemed in gold, are now worth perhaps one-half what they were worth when given —that approximation is good enough for the purpose of this thought—and I suppose that is the only thing that could have been done at the time, because had we continued to promise gold we would have failed in our undertaking and something akin to bankruptcy would have resulted.

So, from that time to this—except for a short period in England, but not, I believe, here—this irredeemable and valueless paper money has been used; and it was for the purpose of safeguarding that insubstantial form of currency that these restrictions—which the honourable senator from Vancouver South (Hon. Mr. Farris) does not like, neither do I, and to which all kinds of objections, such as those mentioned by the honourable senator from Winnipeg (Hon. Mr. Haig) apply—were enacted.

Our action in passing this legislation today is not purposeless; it is to preserve, if we can, the sentimental regard we hold for the form of money which is now floating in tremendous quantities in our economy. Our action in the first instance was by no means without purpose, and it is by no means without purpose that we extend that power today.

My honourable friend from Shelburne (Hon. Mr. Robertson) speaks of the difficulties which face the automobile industry because of the tremendous credits which are floating about. Of course that industry is but one of many wherein goods were sold on promises to pay, and promises to pay in this insubstantial money which we use. It must be realized that while there are many forms of money, all of them are based upon promises to pay. There is the currency issued by governments,

promises to pay which pass from hand to hand; there are also promissory notes from one individual to another, which pass from hand to hand and perform almost the same function as does a dollar bill.

When considering the insubstantiality of our money, the credits that are out must be added to the promises of government. It was to save our money that these restrictions on the volume of credit were imposed by parliament. I realize that we would ruin our economy were we to return to the gold standard, and thus place it on the basis of previous standards of value. This was tried in England prior to the great strike, when those who ostensibly were endeavouring to save the pound even dragged the King into the effort. A disastrous strike followed, and the country failed to return to the gold standard. The effort failed because the standard was placed at too high a level. This had the effect of increasing the weight of all obligations and liabilities, and the rate of recurring charges—rents and interest—increased to such an extent that businesses could not carry out the promises they had made to pay. This brought about an economic stagnation in England and resulted in the falling of true wages, and, as I said, there was a disastrous and dangerous strike. If we were to return to honest money—money which promises to pay something of intrinsic value—and place that value too highly, we would ruin business after business and disrupt the entire economy of this country. If, on the other hand, we were to return to money which promises something of intrinsic value and based it on the level of the true value of the money which is now out, we would then give our money such a substantiality that we would not have to take these precautions to save it from utter decay.

I mention these simple facts because it is time that those responsible for the actions of parliament, and thinkers generally in Canada, began to consider whether it is not time to change from these precarious promises to pay without backing to promises to pay which have intrinsic value. Then we could return to what I have dubbed honest money, money which the private citizen could be sure would represent the same value today as it did yesterday and that it would tomorrow. If I borrow $100 of money today with which to buy, say, a horse, and I find in three or four months' time that the money has gone up so that it takes two or three horses to redeem the pledge, or, on the other hand, has gone down so that half a horse will redeem the pledge, that is dishonest. That is the kind of money which is floating around this country. What we require for the substantial carrying on of business is a dollar which has the same purchasing value when it is borrowed as it has a little later when it is paid back. I know of no business requirement so great as financial stability; but we do not enjoy such a thing in this country at the present time. As I say, the time is coming, if it is not already here, when you and I should be thinking carefully about whether we cannot abandon these promises which are valuable today, less valuable tomorrow and perhaps of no value at all in a short time. Let us return to money which is honest and substantial, and in which men can be confident, money such as we had before the Great War of 1914.

Some Hon. Senators: Hear, hear.

Hon. J. W. Stambaugh: Honourable senators, I have listened to this rather amusing description of our sentimental, insubstantial dollar. I come from a province where I have listened to this kind of talk for quite a few years—that our dollar is of no value.

Hon. Mr. Roebuck: I did not say that.

Hon. Mr. Stambaugh: Well, practically. You said that it is insubstantial and dishonest, and that it has no actual value. I have heard people at meetings in Alberta say that our dollar isn't worth the paper it is written on, and then I have seen them take up a collection and tell you not to put in just a nickel but something really substantial, a dollar bill or perhaps a ten dollar bill.

Either I am "off the beam" or my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) is, because I have just returned from a week-end in the United States, where I found businessmen extremely anxious to get hold of some of these sentimental dollars of ours—and this is the first time that I have ever seen this situation. When I tried to make a certain purchase in the United States a few years ago the clerk called up the bank, and there was a demand for a 17 per cent discount. Today, however, American businessmen are quite prepared to take our Canadian dollars on a parity with their own. There must be a lot of foolish people in the world today, because bankers, businessmen and governments the world over are anxious to get our Canadian dollars—these sentimental, insubstantial dishonest dollars. I think the main reason they are anxious to get them is that they are substantial and really worth something. The productive capacity of our people and the natural resources of our country are behind our dollars, and I do not believe there is another country in the world where, man for man, the productive capacity and the natural resources per capita can match those of Canada. Legislation such as

the government is bringing in now has been largely responsible for our present favourable dollar position.

It has been said that these credit restrictions have been of no benefit, and that they have accomplished nothing. Why was it, then, that automobile dealers put the pressure on the government to remove these restrictions? They claimed that because of them they could not sell their automobiles. I read a newspaper report which said the Prime Minister had been asked if his wife had a washing machine, and which stated that poor people could not buy washing machines because of the credit restrictions. Well, we know that since the credit restrictions were removed there have been more washing machines sold, and that the cost of living went down to some extent before they were removed. True, a good deal of the reduction came about because farm products, especially beef, and to some extent pork, fowl and cheese, have been cheaper. Certain manufactured commodities—for example, clothing and furniture—are cheaper too; and electrical washing machines, refrigerators, and many other articles of household equipment; are considerably cheaper. All these goods enter into the cost of living, so there is a reason for taking off the restrictions; and in the future there may be a reason for putting them back on. Although it is true that a dollar will not buy as much today as it would in times past, we have more dollars now, and most of us would not mind having still more.

My chief reason for rising to speak this evening was to take issue with the statement that we so often hear nowadays, that the extent to which the value of our dollar has fallen is proof of the need to change of our whole financial policy. Well, I think the financial policy of this country has been pretty good, and I should like to hold the line just about where it is. If the taking of some such action as is now proposed will help us to hold the line, I am all for it.

Hon. Mr. Robertson: Honourable senators, may I be permitted to say a few words, not in speaking to the motion but by way of a brief explanation? I have been advised that this motion, which is being considered concurrently in the other house, has been amended by substituting "1953" for "1954".

Hon. Mr. Haig: Yes.

Hon. Mr. Robertson: I am not questioning the information I have received, but I think in the circumstances the proper procedure for me would be to ask the Whip (Hon. Mr. Beaubien) to move adjournment of the debate, and to bring the matter before the house tomorrow.

Hon. Mr. Haig: Agreed.

Hon. Mr. Beaubien: Honourable senators, I move adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

GOVERNMENT EMPLOYEES COMPENSATION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 195, an Act to amend the Government Employees Compensation Act, 1947.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill L-9, an Act for the relief of John Harold Roger Wright.

Bill M-9, an Act for the relief of Agathe Neubauer Landsberg.

Bill N-9, an Act for the relief of Norma May Attridge Chilton.

Bill O-9, an Act for the relief of Andrea Gendron Repper.

Bill P-9, an Act for the relief of Edith Bessie Franks Parsons.

Bill Q-9, an Act for the relief of Annie Teresa Nash Pelltari.

Bill R-9, an Act for the relief of Marie Clemence Morice Waldbauer.

Bill S-9, an Act for the relief of John Gordon Smithers.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the Acting Speaker: When shall these bills be read the third time?

Hon. Mr. Aseltine: Next sitting.

CANADIAN FORCES BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 224, an Act respecting the Canadian Forces.

He said: Honourable senators, this bill is largely technical in its nature and does not involve substantial changes in policy. It provides for amendments to the National Defence Act, the Civil Service Superannuation Act, the Defence Services Pension Act, and the Senate and House of Commons Act. As indicated in the explanatory notes, in title and form this bill follows the precedent set by the Canadian Forces Act, 1950, and the Canadian Forces Act, 1951.

The amendments to the National Defence Act deal with technical changes in the field of discipline and administration that the services consider necessary from an administrative point of view, and are designed to ensure that the National Defence Act, passed by parliament in 1950, will continue to meet the developing requirements of the services. As the amendments proposed to that Act fall mainly into the category of service discipline and are not of major consequence from a policy point of view, it might perhaps be preferable to defer detailed discussion of them until the bill is considered in committee.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Robertson: However, honourable senators, I will refer to one or two of the major changes. The Canadian Forces Act, 1951, contained an amendment to the Civil Service Superannuation Act to enable civil servants who were formerly members of the navy, with service ashore overseas in the Second World War, to count their period of active service on the same basis as former members of the army and air force. It has been found, however, that certain former members of the navy could not elect to take the benefit of that provision by reason of the fact that the time within which they might so elect had expired when the amendment was passed. Accordingly, it is desirable that an appropriate time for election should be allowed in these cases.

The bill also contains an amendment to the Civil Service Superannuation Act, which would remove the existing inequity and would enable approximately thirty civil servants, whose elections were refused under the 1951 amendments, to add their naval service to the time spent in the civil service.

The clauses in the bill to amend the Defence Services Pension Act deal with retired officers who are pensioned and who have taken employment in the civil service. The bill also provides the basis upon which members of the regular forces may count their reserve service. With regard to retired officers who take a position in the civil service, present regulations provide that such officers may receive by way of service pension only an amount which, when added to their civil service salary does not bring their total emoluments above the level of their pay and allowances upon their retirement from the forces. The proposed amendment would allow these retired officers now in the civil service, to receive the difference between their civil service pay and the pay of their rank as it then is, thus enabling them to secure the advantage of any increases in military pay subsequent to their retirement. This would be achieved by providing that such civil servants could receive by way of service pension an amount which, when added to their civil service salary, does not bring their total emoluments above the current pay and allowances of the rank in which they were retired. In effect, a new ceiling would be created, namely, the pay and allowances of the forces in effect from time to time as against the pay and allowances in effect upon retirement.

The bill also includes an amendment to the Senate and House of Commons Act to make the language relating to the eligibility of members of the forces to sit in the House of Commons consistent with current defence phraseology. This amendment is substantially the same as an amendment to the Canada Elections Act, passed in 1951, dealing with the right of servicemen to be elected to the House of Commons.

As I have indicated, honourable senators, the bill is largely of a technical nature; most of the matters dealt with being of importance from the standpoint of service administration.

When the bill was first presented in the other place it contained provisions to make it possible for the government to fulfill its obligations under the Geneva Conventions respecting the trial and punishment of persons alleged to have committed offences against prisoners of war and others. As those conventions have not yet been ratified by Canada, the relevant provisions of the bill were deleted.

When this bill has been given second reading by the house, I intend to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Haig: Honourable members, I do not intend to debate the bill at this time. I am not sufficiently expert on the subject to speak on it intelligently. Therefore, I should like to reserve the right to express myself on the measure after it has been fully discussed in committee.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 27, 1952

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

Prayers and routine proceedings.

EXCISE BILL

FIRST READING

A message was received from the House of Commons with Bill 207, an Act to amend the Excise Act, 1934.

The bill was read the first time.

DOMINION SUCCESSION DUTY BILL

FIRST READING

A message was received from the House of Commons with Bill 208, an Act to amend the Dominion Succession Duty Act.

The bill was read the first time.

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 209, an Act to amend the Customs Tariff.

The bill was read the first time.

NEW WESTMINSTER HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Transport and Communications on Bill 193, an Act respecting the New Westminster Harbour Commissioners.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred Bill 193, an Act respecting the New Westminster Harbour Commissioners, have in obedience to the order of reference of May 21, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now. I so move.

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

GOVERNMENT OF CANADA CHEQUES

INQUIRY

Hon. Mr. Lacasse inquired of the government:

1. Under whose authority and under whose specific instructions are government cheques printed?

2. To what extent, if at all, does the minister concerned exercise his control over the issuing of said cheques?

3. Have provincial governments anything to do with the federal government cheques when they are issued in accordance with the regulations of special pension plans and allowances in which said governments are directly or indirectly interested?

Hon. Mr. Robertson: The answers to the questions are as follow:

1. Government of Canada cheques are issued in a form approved from time to time by Treasury Board under Section 33(1), of the Financial Administration Act. The requisitions for printing the cheques are made by the Comptroller of the Treasury on the Queen's Printer.

2. In accordance with the requirements of Section 33(1), of the Financial Administration Act, all payments pursuant to appropriations are made under the direction and control of the Comptroller of the Treasury, who is an officer of the Department of Finance.

3. If this question refers to Old Age Security Pensions and Family Allowances, the payment of Old Age Security Pensions to those of 70 years and over, and of Family Allowances, is the sole responsibility of the federal government. Provincial governments do not make any contributions to and have nothing to do with these payments.

GENOCIDE

MOTION FOR APPROVAL OF CONVENTION FOR PREVENTION AND PUNISHMENT

Hon. Arthur W. Roebuck moved:

That it is expedient that the Houses of Parliament do approve the ratification by Canada of the Convention on the Prevention and Punishment of the Crime of Genocide as signed by Canada on November 28, 1949, and that this house do approve the same.

He said: Honourable senators, will you permit me to thank the honourable member for Shelburne (Hon. Mr. Robertson), the government leader, for the honour that he has done me this afternoon in asking me to move this resolution on genocide, which stands in his name on the Order Paper, and which was moved in the House of Commons by the Minister of External Affairs. I enter with a good deal of zest upon the task which the leader has assigned to me, but I cannot say that I undertake it with pleasure, because the subject-matter is a rather serious one.

The convention which the resolution puts before the house is the greatest step yet taken by the United Nations towards the abolition of the law of the jungle. In my judgment it ranks in importance in the matter of international law with the principles enunciated at the famous Nuremberg trials, where, for the first time, an international prohibition was imposed on crimes against humanity. This is the second major step in promulgating the recognition and prevention of international crimes.

I suppose the first thing I should do in endeavouring to explain this resolution is to define the term "genocide", because it will not be found in the dictionary. It is a new name for a very old crime—the crime of barbarity. It is an invented word, made up of two ancient words: the Greek *genos*, meaning a clan or religious group; and the Latin *cide*, meaning to kill or killing. The two together mean the killing of a clan or religious group. The word was invented by Raphiel Lemkin, a former Polish national whose family of forty-nine relatives, including his mother and father, was wiped out in one of the Russian pogroms. More recently Mr. Lemkin served on the United States prosecution staff at Nuremberg. He is the world's foremost advocate of the subject matter of the resolution which is before us this afternoon. He had more to do than any other single person with the carrying of this convention unanimously, by a vote of 55-0, in the United Nations General Assembly at Paris on December 9, 1948.

I have given the house the derivation of the word, but its technical meaning is described in the convention itself, Article II of which defines genocide as follows:

> In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national ethnical, racial or religious group, as such:
>
> (a) Killing members of the group;
>
> (b) Causing serious bodily or mental harm to members of the group;
>
> (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
>
> (d) Imposing measures intended to prevent births within the group;
>
> (e) Forcibly transferring children of the group to another group.

That took place, by the way, in Greece, when some thousands of Greek children were driven across the border behind the Iron Curtain.

It will be observed that the crime consists of acts with intent to destroy in whole or in part any national, ethnical, racial or religious group; and the definition sets out the means that may be employed to that end. Article III declares that the following acts shall be punishable: (a) genocide; (b) conspiracy to commit genocide; (c) direct and public incitement to commit genocide; (d) attempts to commit genocide, and (e) complicity in genocide.

Then I think this will appeal to all men here. In order to ensure that the holding of high office shall grant no immunity, or no more than the resolution can prevent from being granted, article IV provides:

> Persons committing genocide or any of the acts enumerated in Article III shall be punished, whether they are constitutionally responsible rulers, public officials or private individuals.

So far, what I have been reading might be described as the law-making portion of the convention. I do not think I should trespass upon the time of the house by reading the whole convention, but I feel that it should be placed on record. May I therefore ask that the convention, together with a list of the nations which have signed it, and of those which have already ratified it, be printed as an appendix to the *Hansard* report of this sitting?

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

The convention provides that it shall come into force on the nineteenth day following the deposit of the twentieth instrument of ratification or accession, and this has been understood to mean without reservation in any particular on the part of the ratifying state. This goal was reached on the 12th of January, 1951. Representatives of the Canadian government had signed on the 28th of November, 1949, but ratification was delayed by the Parliament of Canada pending a judgment by the International Court of Justice on a relevant point of law.

Seven states have ratified with reservations as to Article IX of the convention. If you will permit me, I shall read that article:

> Disputes between the Contracting Parties relating to the interpretation, application or fulfilment of the present Convention, including those relating to the responsibility of a State for genocide or for any of the other acts enumerated in Article III, shall be submitted to the International Court of Justice at the request of any of the parties to the dispute.

As honourable senators know Russia and her satellites, have always refused compulsory submission to the International Court of charges against themselves. So we find substantially identical reservations by these nations: Byelorussia, Ukraine, U.S.S.R., Bulgaria, Czechoslovakia, Hungary, Roumania and—all countries behind the iron curtain—Viet-Nam and, curiously enough, the Philippine Republic. If Canada ratifies the convention, as I hope she will, we cannot call upon any of those countries to submit to the International Court of Justice, nor can

any one of them call upon us to submit to the judgment of the Court; however, we can both sue and be sued by the thirty countries which have to date ratified without reservation. As for the countries behind the iron curtain I think we can forget about them with a clear conscience and without much regret.

In Article V the contracting parties undertake to enact—and note this language—in accordance with their respective constitutions the necessary legislation to give effect to the provisions of the convention, and to provide effective penalties for persons guilty of genocide and its associated crimes. So far as Canada is concerned, this is simple procedure, for there is on file a letter from the Deputy Minister of Justice, Mr. Varcoe, stating that Canada has already on its statute books the prohibitions necessary to the implementation of the convention, and, further, containing this statement:

> I cannot conceive of any act of commission or omission occurring in Canada as falling within the definition of the Crime of Genocide in Article II of the Convention, that would not be covered by the relevant section of the Criminal Code.

Therefore, we need not be worried about that feature of the convention. Mr. Varcoe is also of opinion that any legislation necessary to implement this convention falls within the jurisdiction of the federal parliament, and does not in any way impinge upon provincial jurisdiction. However that may be, we have assurance from the highest legal authority in the land that the convention is already implicated in the law of Canada.

There was forced upon the drafters of the Convention a somewhat unsatisfactory compromise, namely, that, according to Article VI, persons charged with genocide or any of its associate offences, such as conspiring, inciting and attempting . . . I quote:

> . . . shall be tried by a competent tribunal of the State in the territory of which the act was committed, or of such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction.

In view, honourable senators, of the possibility that for years there will not be any international tribunal with penal or criminal jurisdiction, it follows logically from that article that in practice only private individuals may be prosecuted for the crime of genocide, and that they must be prosecuted according to the laws of the state in which they live or in which the crime is committed. The governments in most countries are not likely to submit their acts to the judgment of their own courts, nor are they likely to submit to those courts the question of the guilt of their high officials, whose criminal acts may have been in accordance with government policy.

The truth is that this convention lacks teeth. In some of the writings that I have read it has been described as a mere gesture. But it is of course much more than that. It is a solemn declaration by thirty-eight countries of the world that genocide—by whomsoever committed, including heads of state—is a crime that ought to be punished, although the machinery for punishment under certain circumstances is for the moment in abeyance. I believe that in time the ratifying countries of the world will find and adopt better methods of enforcement, as circumstances make such action necessary. There is a weakness in the convention as it now stands, but it is not by any means hopeless.

The important point at the moment is that the participating nations of the world are agreed that attacks upon national, ethnical or religious groups, as such, with intent to destroy in whole or in part, are international crimes, and no longer a matter of mere internal or domestic concern, and that they should be punished. This, in my opinion, is a long step forward in the development of world-wide moral precept and practice.

One of the worst crimes in history, which would have been covered by this convention had it been in force at the time, was the murder of the population of Carthage by the Romans. It was not, of course, the first crime of genocide. But nothing is to be gained by going back into very ancient history. The slaughter of the Carthaginians is not, however, in its effect upon modern times, ancient history. Honourable senators will no doubt remember the iterated and reiterated demand of Cato the Elder in the Roman Senate, "Carthage must be destroyed", and unfortunately his incitements were all too successful. The destruction of Carthage removed the intellectual competition in the Mediterranean which its preservation would have promoted, and as a result, in my judgment, the world is the poorer, even to this day.

One shudders even now when reading of the slaughter of 10 million people by the Mongols. Jenghiz Khan boasted that he could ride his horse without stumbling over the ruins of Baghdad, so completely had he laid it waste.

Coming down to more modern times, Saint Bartholomew's murder is still looked upon as one of the blackest days in the history of France.

As a young man I read with revulsion, as no doubt you did, of the massacres of the Armenians, in which more than a million people lost their lives.

Not long ago, and indeed still continuing, are the pogroms in Russia, in which Poles, Ukrainians and Jews were the sufferers, and the death roll in those terrible events is counted in many millions—how many, may never be known.

But, honourable senators, it was the genocide perpetrated on the Jews in Germany by the bestial and degraded Nazis, under that arch-criminal, Hitler, which shocked the conscience of the world and at last provoked civilized peoples into some sort of action. Six million innocent men, women and children were slaughtered in cold blood, for the most part in gas chambers, by human or inhuman monsters who boastfully proclaimed themselves a superior race. That colossal crime comes home to all of us, for who in this very chamber but knows some sole survivor of that nauseating and disgusting carnage. There are thousands of our fellow citizens in Canada today whose relatives, in entire families, were lost in the horrors of that sea of blood.

Nor, even now, is the world free of genocidal pogroms. Since Russia overran the three small Baltic states of Lithuania, Latvia and Esthonia, more than a million people have lost their lives in a reign of terror, and the killings—to use a more polite term, the liquidations—are reported to be still continuing. That Russia accepts the denunciation of genocide as a crime is commendable and also understandable in view of the state of world opinion and her efforts to capture the benefits of a favourable judgment; and the fact that she refuses to submit to extra-Russian investigation charges of genocide against herself is not surprising.

To Canadians this convention against genocide has a compelling appeal. Canada is a nation of groups—ethnical, religious, industrial, political and social. No group is in a majority over all others; all are minorities. Were any of us to consent to the victimizing of a group to which we do not belong, we might in effect be signing our own warrant of execution. As Shakespeare puts it, in the mouth of one of his characters:

> . . . this even-handed justice
> Commends th' ingredients of our poison'd chalice
> To our own lips.

In Canada, and I suppose elsewhere, the safety of each is inextricably linked with the safety of all. The ratification of this convention by the Houses of Parliament of Canada is notice to the world that the Canadian people are shocked and outraged by the genocidal crimes of recent times; that we condemn them, and that in the event of repetition in the future we will, to the extent of our ability, seek to exact retribution.

Most fortunately, in my judgment, as will be illustrated by both our houses adopting this convention, a world conscience is gradually awakening. Already we have adopted a number of international conventions, including conventions against the slave trade, against the production and sale of narcotics, against piracy, against traffic in women and children; and now we are about to adopt this one against the crime of genocide. We in this chamber have already declared our belief in the divine or natural law of human rights and fundamental freedoms, and our approval of this convention is our supplemental declaration that human rights are not alone for the strong or the privileged, but are the heritage of all mankind. Our approval of this convention is another step towards the abolition of the law of the jungle, and the substitution of the rule of law as proclaimed so long ago from the Mountain: "Thou shalt not kill". It is a recognition of the truth that "I am my brother's keeper".

Honourable senators, I move the adoption of this resolution.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: Why is it that the signature of Great Britain is missing from the convention?

Hon. Mr. Roebuck: I also wondered about that, but I have not been able to discover the reason. I am perfectly sure, however, that there is a valid reason. The absence of this signature does not mean that Great Britain in any way tolerates genocide, for history shows that she has always protested against this sort of thing. I remember Gladstone's denunciation of the "Unspeakable Turk", and many more such instances could be enumerated. I may add for the benefit of the honourable senator from New Westminster (Hon. Mr. Reid) that, although they have not signed it, neither Canada nor the United States has yet ratified this convention. The United States has not ratified it because the Bar Association of that country is questioning the phraseology of the convention in an attempt to improve it. The matter is still before Congress, as it is before this house. There is no question that both the United States and Great Britain will take their places along with Canada and the thirty-eight other nations in giving approval to this great convention.

Hon. Mr. Davies: While listening to the very fine address of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), I wondered whether in wartime the destruction by atom bomb of a whole city the size of Ottawa would constitute the crime of genocide?

Hon. Mr. Roebuck: I would not think so. The destruction of a city may be a matter of

war; genocide is an attack upon a group. One of the neatest illustrations of genocide would be the massacre of Glencoe, where one tribe set out to destroy another. The destruction that took place in the war through which we have just passed, when whole cities were laid waste, was not the result of attacks made with the intention of destroying groups of people; it resulted from attacks on military targets in these cities.

Hon. Mr. Haig: Honourable senators, I just want to say that I approve of the resolution.

The motion was agreed to.

EXTRADITION

MOTION FOR APPROVAL OF SUPPLEMENTARY CONVENTION WITH UNITED STATES

Hon. A. K. Hugessen moved:

That it is expedient that the Houses of Parliament do approve the Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900, and that this house do approve the same.

He said: Honourable senators, this resolution deals with the matter of extradition and, indeed, the treaty to which it relates bears the title: "Supplementary Convention to the Supplementary Convention between Her Majesty and the United States of America for the Mutual Extradition of Fugitive Criminals, signed at Washington, December 13, 1900".

Perhaps, for the benefit of non-legal members in this chamber, I should give a brief explanation of extradition. It is defined in Halsbury's *Laws of England* in these terms:

Extradition is the delivery on the part of one government to another of those whom it is desired to deal with for crimes of which they have been accused or convicted and are justiciable in the courts of the other government.

A simple illustration would be this: If a resident of the United States committed murder in Canada and then returned to the United States, he could be extradited to Canada to stand trial on the charge of murder. Extradition between sovereign states is always a matter of treaty between the states involved. I think it is fair to say that the vast majority of civilized states today have extradition treaties which specify and set out the particular crimes for which extradition can be sought as between themselves and the other countries involved.

During the early part of our history our relations with foreign states, including this matter of extradition, were dealt with by Great Britain. Thus the first extradition treaty which affected this country, and by which this country was bound, was a treaty between Great Britain and the United States, concluded in Washington on the 9th of August 1842. That was known as the Webster-Ashburton Treaty. Its principal object had nothing whatever to do with extradition; it was the treaty which, as we learned in our history books, settled the boundaries of the State of Oregon. But it did also deal incidentally with the question of extradition; and Article X of the treaty set out the offences for which extradition can be mutually sought, as follows:

It is agreed that the United States and Her Britannic Majesty shall, upon mutual requisitions by them or their ministers, officers, or authorities, respectively made, deliver up to justice all persons who being charged with the crime of murder, or assault with intent to commit murder, or piracy, or arson, or robbery, or forgery, or the utterance of forged paper, committed within the jurisdiction of either, shall seek an asylum, or shall be found, within the territories of the other.

That was the list of extraditable crimes settled in 1842.

Another portion of this treaty is worthy of note, for it introduces a very important principle. It says this:

Provided, that this shall only be done upon such evidence of criminality as, according to the laws of the place where the fugitive or person so charged, shall be found, would justify his apprehension and commitment for trial, if the crime or offence had there been committed.

What that means is that the crime for which extradition is sought must be a crime in both countries; both in the country where the man has taken refuge and in the country which is seeking his extradition. That is referred to as the principle of mutuality, to which I shall have occasion to refer in a few minutes.

To the original extradition treaty there were a number of supplementary conventions made between Great Britain, acting at that time for Canada as well, and the United States, and they all had for their effect the enlarging of the list of crimes for which extradition might be sought. Those supplementary conventions were dated, respectively, December 13, 1900, April 12, 1905, and May 15, 1922. As I say, they were all concluded by Great Britain on behalf of Canada. But there is a rather interesting feature with respect to the last of them, the supplementary convention of May 15, 1922. That convention added to the list of extraditable crimes wilful desertion or wilful non-support of minor or dependent children, but it was provided that the convention should

be limited to the United States and Canada. Article II stated:

> The operation of the present convention is confined to the cases in which the offences mentioned in the preceding article having been committed in the United States or in the Dominion of Canada, the person charged with the offence is found in the Dominion of Canada or in the United States respectively.

Now we come to the year 1925. Canada had then attained her full national status, and on January 8 of that year a further supplementary convention was entered into between the United States and His Majesty, acting for the first time solely on behalf of Canada. That convention again expanded the list of extraditable crimes to include offences against the laws for the suppression of narcotics. It was signed for Canada by the late Honourable Ernest Lapointe, he being at that time the Minister of Justice for Canada, and by the Honourable Charles Evans Hughes, at that time Secretary of State of the United States of America, and later, as honourable senators know, Chief Justice of the Supreme Court of the United States.

Today the house is being asked to approve still another supplementary convention, this too having been negotiated directly between Canada and the United States, and having been signed in Ottawa on October 26, 1951. It was signed on behalf of Canada by the Minister for External Affairs and the Minister of Justice, and on behalf of the United States of America by the United States minister in Ottawa. I hope the house will bear with me if I endeavour to make a short explanation of, firstly, what this new extradition convention or treaty purports to do; and, secondly, of the reasons why it is considered necessary at the present time.

First of all, what does it do? I referred a moment ago to the supplementary convention of December 13, 1900. That convention added to the list of extraditable crimes a further one, No. 11, which was this:

> Obtaining money, valuable securities or other property by false pretences.

The supplementary treaty now before us proposes to strike out Clause 11 and to substitute in its place two new clauses, 11A and 11B, which read:

> 11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence;
>
> 11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

Those are the proposed two new substitute clauses.

Now, secondly, what are the reasons why these amendments are brought forward at the present time? The principal reason is this. For some years there have been bitter complaints by residents of the United States that they have been victimized by a small unscrupulous group of Canadian brokers and "share-pushers", operating principally from Toronto, who have sold them worthless securities of shady Canadian corporations, mostly mining and oil ventures, whereby these citizens of a friendly neighbouring country have lost money estimated to run into many millions of dollars. I think it is only too true to say that the victims of these "share-pushers" have been the small people, the innocent people, who know very little about financial affairs or investments, and who, in general could least afford the losses which they have sustained.

Hon. Mr. Euler: Will it work both ways?

Hon. Mr. Hugessen: Yes, it could work both ways.

Hon. Mr. Davies: Was not much of that selling done by telephone?

Hon. Mr. Hugessen: Yes, a great deal.

Hon. Mr. Farris: I should like to ask my honourable friend if those people could not be prosecuted and, on proper evidence, convicted in Canada?

Hon. Mr. Hugessen: If the crime was committed in Canada, I suppose they could be.

Hon. Mr. Farris: They are in Canada when the offence is committed.

Hon. Mr. Hugessen: That may be so.

Hon. Mr. Farris: Then why should that not be the remedy?

Hon. Mr. Hugessen: Well, offences are committed both in Canada and in the United States, and the desire is to have such persons prosecuted in both countries. Damage is caused in the United States, even when the offence is committed in Canada.

Hon. Mr. Farris: Where a man has committed an offence in Canada, why could not the United States authorities lay charges here and prosecute him here?

Hon. Mr. Hugessen: That would involve the coming to Canada of the unfortunate victims to give evidence.

These complaints by individuals have been strongly supported by the United States Securities and Exchange Commission. As honourable senators know, the Securities and Exchange Commission is a federal body which regulates offerings of securities to the public in the United States. It was set up under the United States Securities Act of 1933, with stringent safeguards to the public of that

country. It is largely a result of the tightening up of the securities sale provisions in the United States in 1933, that these undesirable practices of touting stocks from Canada grew up.

This convention was submitted for consideration to a joint sub-committee of the Committee on Foreign Relations and the Committee on Banking and Currency in the United States Senate. A hearing was held on March 3, 1952, and the principal witness appearing before the joint sub-committee was the Honourable Richard B. McEntire, Commissioner of the Securities and Exchange Commission. I should like now to read a few extracts from Mr. McEntire's evidence, and thus give the house some idea of what has been complained of. I quote:

> This convention, as the committee no doubt has in mind, enlarges the present treaty coverage of extraditable crimes between Canada and the United States by enlarging the definition of "fraud," particularly relating to fraud in securities transactions and by adding the crime of mail fraud. These are the outgrowth of negotiations over a considerable period between the two countries, and, while I know the committee is very busy and I will try to give it in capsule form, perhaps just a word of the background of this problem is in order.
>
> Immediately following the passage of the Securities Act of 1933 a good many of the so-called fraud artists from this country went to Canada and started their operations there. Likewise, they were joined by quite a number of Canadian nationals who set up operations, originally in various places, but for the past 15 years almost exclusively in the city of Toronto. They mailed great quantities of literature into the United States in an attempt to sell securities on every sort of venture that you could imagine, and adopted a follow-up technique on telephones, placing calls literally all over the United States.
>
> These promotions almost invariably were in ventures that are associated in the public mind with rapid and spectacular wealth, principally gold, silver, oil properties, and, in recent years uranium. They took every advantage of the fact that highly publicized gold and oil discoveries have been made in the Dominion of Canada in recent years. The sponsored property—the property that they would claim to be sponsoring—was always one that was just adjacent to one of these successful developments, notwithstanding the fact that in one situation we investigated we found that "adjacent" meant 1,700 miles away. They would always try to say, on gold mines, that they were in the same vein, in addition to being adjacent, to spectacular developments.
>
> The whole problem has been one of sale of securities entirely by fraudulent means. Of the class that I am speaking of now, I want to make it clear that for the most part virtually none of the proceeds has ever gone into any attempt to dig a mine or to drill oil wells. The bulk of the proceeds were siphoned off in selling commissions and in business expense. The whole thing may be characterized as what we at the Securities and Exchange Commission have found to be the most vicious securities fraud extant.

That, honourable senators, is a statement of the Chief of the Securities and Exchange Commission of the United States.

How does this new convention improve matters? It does so in two ways: Under the old clause 11 of the Extradition Treaty of 1900, which we are replacing, "false pretences" is made an extraditable offence. Section 404 of the Criminal Code defines "false pretences" as follows:

> A false pretence is a representation, either by words or otherwise, of a matter of fact either present or past, which representation is known to the person making it to be false, and which is made with a fraudulent intent to induce the person to whom it is made to act upon such representation.

I call the attention of the house to the use of the words "representation. . .of a matter of fact either present or past"; and "which representation is known to the person making it to be false. . ."

Hon. Mr. Euler: How can it be a fact?

Hon. Mr. Hugessen: A great number of the complaints of sale of securities have dealt not with either past or present facts, but with future prospects—the rosy hope, held out to prospective investors, of what is going to happen in the future. Moreover, it has been extremely difficult in many cases to prove that the persons who made certain statements knew that they were false. It is conceivable, had things gone extremely well, that what they said might have turned out to be true.

The convention proposes to replace clause 11 with clause 11A, which constitutes as a crime:

> Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

That provision corresponds very closely to section 444 of the Criminal Code, which reads:

> Every one is guilty of an indictable offence and liable to five years' imprisonment who by deceit or falsehood or other fraudulent means, to defraud the public or any person, ascertained or unascertained,—

Here I omit a few inapplicable words.

> whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretence as hereinbefore defined.

So the new clause, 11A of the convention, corresponds pretty well as to language with section 444 of the Criminal Code.

Hon. Mr. Roebuck: That is a very recent enactment, is it not?

Hon. Mr. Hayden: A couple of years ago.

Hon. Mr. Reid: Would the honourable senator give a further explanation of the last three lines? I can understand the first part. It says:

> Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means . . .

That, to me, is very clear. But it goes on:

. . . whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

I cannot understand that.

Hon. Mr. Hugessen: That is what I was trying to explain. I quoted to the house the definition of "false pretences" in the Criminal Code. A false pretence has to be a false pretence about something past or present. This goes further. Under this language a man may be convicted if he makes a false statement about something future, rather than something past or present. The definition is so worded as to make it broader than the definition of false pretences contained in the Criminal Code.

Section 11B of the proposed convention adds as a crime:

"Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences."

In its wording this corresponds substantially with section 209 of our Criminal Code, which makes it an offence to do that very thing if the offence is committed in Canada.

As I have said already, and as appears from the quotation from the evidence of the head of the Securities and Exchange Commission, at times there has been a flood of circulars and prospectuses sent from headquarters in Canada to investors and other people in the United States. I am sure that my honourable friend from Vancouver South (Hon. Mr. Farris) will ask "Does a person who mails a fraudulent prospectus from an address in Canada to an address in the United States thereby "make use of the mails" in the United States in such a way as to bring him within the purview of this convention? I am advised that that question has been considered in Great Britain and that the courts there have answered it in the affirmative. There was a case which involved the Extradiction Treaty between Great Britain and Norway: a resident of England sent a fraudulent prospectus to a resident of Norway, and the British courts held that he could be extradited to Norway because he had sent this circular from England to Norway. I suppose the theory is that if a person puts a letter in the mails in Canada, addressed to someone in the United States, he knows very well that he will make use of the mails of the United States to enable it to reach its destination.

I have tried to show the house that the two new provisions of this convention, namely 11A and 11B, correspond very closely to two provisions of the Canadian Criminal Code, sections 444 and 209 respectively. I have done so to show the house that in this extradition treaty we are still following the principle of mutuality to which I referred a few minutes ago. That is to say, we are not making it possible to extradite a Canadian citizen to the United States for the doing of something in the United States which would not be a crime if it were done in Canada.

I might mention incidentally that previously, in 1945, there were negotiations during which the United States authorities proposed to this country a treaty which did infringe the principle of mutuality. They wanted to make persons extraditable from Canada in respect of violations of a number of provisions of the Securities Act of the United States which had no counterpart in this country. The matter did not come before this house, but it was considered very seriously by a committee of the other chamber, and because it violated the principle of mutuality the proposed treaty of 1945 was rejected.

The convention now before us has already been approved by both houses of the United States Congress.

May I refer for a moment to the position of the provinces? It is true that their consent to this treaty is not required, but because the Criminal Code is administered by the provincial attorneys-general in their respective provinces, it is wise that they should be consulted about a matter of this kind. In fact all of them were consulted when this convention was in process of negotiation. The province principally concerned was Ontario, and not only did it approve this convention, but the deputy attorney-general of Ontario took a very active part in the negotiations and, I understand, in the drafting of the convention itself. Drafts of the convention were submitted to the attorneys-general of all the other provinces, and all but one replied, either with approval or without having any comments to make. The single exception is Manitoba, from which no reply was received, and in this case perhaps we can say that silence implies consent. The draft was also submitted to the principal stock exchanges and to various investment dealers' associations, none of whom raised any objection whatever. Perhaps I should add that this convention was unanimously approved by the other chamber on Wednesday last.

Certain advantages will accrue from ratification. First, I think we all agree that we should do what we can to prevent citizens of the United States from being defrauded by operations of this kind conducted from Canada. And of course, as the honourable senator from Waterloo (Hon. Mr. Euler) said, the converse is equally true; this convention will prevent, at least in some degree, fraud upon

Canadian citizens through similar operations by citizens of the United States. Indeed I am informed that when, last autumn, it became known that a treaty of this kind was being negotiated, the activities of these gentry were voluntarily, and of their own motion, curtailed.

In the second place, the convention will benefit legitimate business in this country, particularly the sale of shares and securities of reputable Canadian corporations.

There is no doubt that, as a result of the carrying on of the operations in question in parts of the United States quite a feeling has developed in recent years that Canada has not been behaving well towards the citizens of a friendly country. It is important for us to realize that for many years to come the United States will probably continue to be an important source of finances for the development of our country.

There is yet a third benefit which is likely to result from the adoption of this convention. As I have said, the Securities and Exchange Commission of the United States is the body which is charged with the oversight and approval of all issues of securities in that country, whether issued by United States corporations or by foreign corporations. Honourable senators of the legal profession have no doubt had the same difficulty that I have had in attempting to draft prospectuses for the Securities and Exchange Commission. They know how strict the requirements have been. In the United States the Securities and Exchange Commission have greatly modified their strict requirements as regards small issues of securities, totalling not over $300,000 by United States corporations. So far they have refused to do this for Canada, because they claim they have not had sufficient control over people in Canada of the kind I have mentioned. We are advised, however, that if this convention is ratified there is every likelihood that the Securities and Exchange Commission will extend this modification to Canadian issues of small amounts. This will be valuable to people who are attempting to raise moderate amounts of capital in the United States for development in this country.

Honourable senators, for the reasons I have mentioned this afternoon, I have no hesitation in recommending this convention to the Senate, and in urging the adoption of the resolution which I have moved. If honourable senators feel that the subject matter of this resolution should be referred to committee, as was done in the other place, I would have no objection whatsoever to it being referred to our Committee on External Relations. This would enable honourable senators to get further information from the officials of the Department of Justice.

Hon. J. W. de B. Farris: Honourable senators, I am a little concerned about this matter. My honourable friend (Hon. Mr. Hugessen) has said that we should bear in mind that the primary objective is to prevent citizens of the United States from being defrauded by people in Canada. I have not got before me the definition of the jurisdiction in Canada, but it is my recollection that you may prosecute a person in any place where any part of the offence has been committed. For instance, if I were in Vancouver and called up my honourable friend in Montreal and made false pretences as a result of which I obtained money from him, I could be prosecuted in either Vancouver or Montreal. In other words, the territory in which the offence was committed would include both places. My understanding is that if I am in Toronto and, in communicating by telephone, letter, or otherwise, with some person in New York city I commit an offence, it constitutes an offence both in Canada and in the United States; and I can be prosecuted for that offence either in Canada or in the United States, depending on where I am apprehended. If this is so, why could not the remedy of prosecuting persons in Toronto, or some other evil place—

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: Vancouver, for instance.

Hon. Mr. Farris: —be carried out? Incidentally, Toronto seems to be the centre of iniquity in this case. I asked my honourable friend (Hon. Mr. Hugessen) why this could not be done, and he said that it would mean that the unfortunate victims would have to come to Canada to prosecute their cases. The fact is that these prosecutions will be carried out in the United States by the Securities Exchange Commission or some other authority, and not by the poor unfortunate victims. It must be remembered, too, that these people will have to appear before a magistrate here prior to extradition proceedings being taken. This will probably cost them just as much as a trial, but it is far from being a trial. Further, there are magistrates and magistrates.

I am quite in sympathy with the purpose of this legislation, which is to get after these men who come over from the United States and have them returned to their country. But it does not stop there. While my honourable friend was speaking I wrote down a note to this effect: What we may well be concerned with is not the evil to be remedied but the evils which may result from the attempted remedy. It would be all well and good if

we were sure this measure would be confined to the returning to the United States of wayward American citizens who come over here to operate. The fact is that the American authorities can lay a charge against a person born and brought up in Canada, who may innocently make certain representations in the United States. Then they can come over here and make out a *prima facie* case against him, and on the strength of this they can yank him out of his country for the first time and prosecute him. He may even be convicted by a jury in a territory which has some prejudice in the matter.

I understand the law at present to be that these men on the Securities Commission in the United States, who are so much concerned about this matter and who apparently are willing to put up the money to come over here and raise a *prima facie* case, can in fact have a man arrested in Canada—a man who probably never was out of this country in his life—and bring all their evidence over here and have him tried before a Canadian jury. If I am right, I do not see why that remedy should not be considered adequate. In the circumstances alleged here today, I do not see why we should imperil our own citizens by subjecting them to the possibility of being extradited on a *prima facie* case and tried in a foreign country. It seems to me that the whole matter should be very carefully investigated before we approve this convention. As I understand it, we could have the convention referred to a committee before passing the motion for approval.

Hon. Mr. Hugessen: Yes.

Hon. Mr. Farris: I am not at all sure that the External Relations Committee is the proper one to consider a matter of this kind.

Hon. Mr. Roebuck: No, it is not.

Hon. Mr. Farris: That committee is concerned primarily with matters having to do with Canada and other countries on an international basis. What we are concerned about here is the safety and protection of our own citizens, and I should think the Committee on Banking and Commerce is the appropriate committee for a study of the subject-matter of this convention. Unless there is some reason against it, I will move that the convention be referred to that committee.

Hon. Mr. Roebuck: Honourable senators, what is worrying me about this proposal is that it goes farther than our Criminal Code. If the convention provided for extradition for false pretences, I would have no objection, for that is a crime covered by our Code. But I do not see why the convention should go farther than we go when we are dealing with our own citizens. Notwithstanding the reference to section 406 of the Code, and also to section 404,—

Hon. Mr. Hugessen: Section 444.

Hon. Mr. Roebuck: Section 404 is the definition of false pretences.

Hon. Mr. Hugessen: Will my honourable friend allow me? Section 11A of the proposed convention follows very closely the wording of section 444 of the Criminal Code.

Hon. Mr. Roebuck: Why is the convention not confined to offences provided for in our own Code? I gather from the remarks of the sponsor of the motion (Hon. Mr. Hugessen) that it sets up a new definition of an offence. Why does it do that?

Hon. Mr. Hugessen: We must remember that it is a treaty between one country and another, and on the principle of mutuality you must deal with the same sort of crime in one country as in the other. But you cannot describe the crime in exactly the words that are used in either country; you have to try to define it in terms common to both countries. We cannot take the exact wording of section 444 and place it into the extradition treaty, for we are trying to make the provision correspond as closely as possible to similar provisions in the United States Code.

Hon. Mr. Farris: I should like to ask a question of the senator from Toronto-Trinity (Hon. Mr. Roebuck), for he possibly knows more about this matter than all the rest of us do.

Hon. Mr. Roebuck: I may refuse to answer on the advice of counsel.

Hon. Mr. Farris: Ordinarily and primarily extradition is the bringing of an offender back to the country where he committed his offence. This convention has expanded that idea so as to make it possible to extradite him to a country where a part of his offence was committed, notwithstanding the fact that he could have been just as well prosecuted in the country from which his extradition is sought. I would ask my honourable friend if he knows of any reason why prosecutions for these offences that we have been referring to should not take place in Canada or the United States; that is, wherever the person was at the time he committed the offences.

Hon. Mr. Roebuck: I know of no reason for that, except the one that has already been given, that it is more convenient to prosecute him where the prosecutor lives—I mean, more convenient to the prosecutor

Hon. Mr. Farris: It is not more convenient to the accused.

Hon. Mr. Roebuck: It certainly is not. And while one hesitates to stand in the way of efforts to strengthen the good feeling between ourselves and the United States, one would feel rather troubled by his conscience if he voted for a law of this kind without giving it much more thorough study than we have given it so far. I fully approve of the suggestion of the senator from Vancouver-South (Hon. Mr. Farris) that this matter be referred to the Committee on Banking and Commerce, rather than to the Committee on External Relations. The Department of External Affairs has already had a crack at the matter; now let someone else take it under consideration. I should like to see the matter go before the Banking and Commerce Committee, where we could have in attendance officers of the Department of Justice, to tell us how much farther this convention goes than we have travelled in the Criminal Code. We are now studying and working on improvements to the Code, and I am perfectly sure that if it were proposed to include in the Code such provisions as are in this convention, we would not adopt them without very careful consideration.

Due notice should be given when the matter is to come up before the committee. I admit that I have known of these proposals for a long time—they have been before us in parliamentary circles for several years now —but I confess that I have not studied as carefully as is necessary the actual phraseology that has been put before us this afternoon. And it is careful study of the very words that is required at this time.

I second the motion for reference of the subject-matter to the Committee on Banking and Commerce.

Hon. Cyrille Vaillancourt: Honourable senators, I wish to say just a few words. I am not a lawyer, but after some recent experience I feel that if this convention could prevent gangs of racketeers from operating between the United States and Canada, it would do much to protect our poor people. In our province we have had some unfortunate experiences with the operations of international racketeers. They have come over here and taken most unfair advantage of a considerable number of people, many of them poor people who are entirely without experience in financial matters. About $400,000 of the savings of farmers and others was lost through the activities of one company. A legal battle over the matter was fought for months and months, with good lawyers on both sides, and after lengthy discussions there was so much confusion that it was difficult to say who in fact was the thief.

I do not know if the convention before us contains the most suitable legal phraseology, but I hope we can have a provision in the law that will protect people in the United States and Canada, especially poor people, from racketeers of the kind I have been referring to.

Hon. Mr. Roebuck: We all agree with that.

Hon. Mr. Vaillancourt: If this convention would give that protection, I am in favour of it.

The Hon. the Speaker: Honourable senators, before putting the motion for reference of the subject-matter to the Standing Committee on Banking and Commerce, I wish to call attention to the fact that if this motion is passed the order will disappear from the Order Paper, unless there is an adjournment of the debate.

Hon. Mr. Hugessen: Honourable senators, may I say just a word in reply to what was said by the senator from Vancouver-South (Hon. Mr. Farris) and the senator from Toronto-Trinity (Hon. Mr. Roebuck) on the point of which committee is the proper one for a study of this matter. It was without any *arrière-pensée* that I suggested reference to the Committee on External Relations. I mentioned that committee simply because the other house had referred this matter to its Committee on External Affairs, and there was a reference of it by the Senate of the United States to its Committee on Foreign Relations. I have no objection to it being referred to the Banking and Commerce Committee; indeed, perhaps there is something to be said for the suggestion that it should be so referred.

In view of what His Honour the Speaker has said, I would ask the Whip to adjourn the debate, and the matter can proceed from there.

Hon. Mr. Beaubien: Honourable senators, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

SUBJECT MATTER REFERRED TO COMMITTEE

Hon. Mr. Farris: Honourable senators, I move that the subject matter of this resolution be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill T-9, an Act for the relief of Libby Levine Bloom.

Bill U-9, an Act for the relief of Shirley Israel Thau.

Bill V-9, an Act for the relief of Ralph Patrick Barker.

Bill W-9, an Act for the relief of Madeliene Kostick Glock.

Bill X-9, an Act for the relief of Olive Myrtle Weston Rouet.

Bill Y-9, an Act for the relief of John William Day.

Bill Z-9, an Act for the relief of Marcelle Marchand Adams.

Bill A-10, an Act for the relief of Marie Marguerite Germaine Aubert Forest.

Bill B-10, an Act for the relief of Betty Lauraine Conner Norell.

Bill C-10, an Act for the relief of Francoise Marguerite Beaudin Patrick.

Bill D-10, an Act for the relief of Albert Chevalier.

Bill E-10, an Act for the relief of Greta Mildred Duncan Croteau.

Bill F-10, an Act for the relief of Roland Lesage.

Bill G-10, an Act for the relief of Leo Bercovitch.

Bill H-10, an Act for the relief of Joseph Raymond Demers.

The bills were read the first time.

THIRD READINGS

Hon. Mr. Haig, for the Chairman of the Standing Committee on Divorce, moved the third readings of the following bills:

Bill L-9, an Act for the relief of John Harold Roger Wright.

Bill M-9, an Act for the relief of Agathe Neubauer Landsberg.

Bill N-9, an Act for the relief of Norma May Attridge Chilton.

Bill O-9, an Act for the relief of Andrea Gendron Repper.

Bill P-9, an Act for the relief of Edith Bessie Franks Parsons.

Bill Q-9, an Act for the relief of Annie Teresa Nash Pelltari.

Bill R-9, an Act for the relief of Marie Clemence Morice Waldbauer.

Bill S-9, an Act for the relief of John Gordon Smithers.

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

CONSUMER CREDIT (TEMPORARY PROVISIONS) ACT

MOTION

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

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

To His Excellency the Right Honourable Vincent Massey, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada.

May it Please Your Excellency:

We, Her Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, respectfully approach Your Excellency praying that the Consumer Credit (Temporary Provisions) Act be continued in force until the thirty-first day of July, one thousand nine hundred and fifty-four.

Hon. Mr. Robertson: Honourable senators will recall that yesterday at the conclusion of the debate on the motion to extend the Consumer Credit (Temporary Provisions) Act, I informed the house that I had been advised that an amendment had been offered in the House of Commons and had been accepted by the Minister. At my request the Whip adjourned the debate to allow me to get certain information to place before the house today. Honourable senators will note that the resolution contemplates the continuing in force of the Act until July 31, 1954. I am informed that by the amendment passed in the other house the period of extension was reduced, so that it would expire in 1953 instead of in 1954. The Minister of Finance on behalf of the government agreed to the amendment, and the resolution as passed in the other place extends the provisions of the Act for one year instead of two years.

As I am sure that honourable senators would approve of the shortening of the period of extension, I now move, with leave of the Senate, seconded by the honourable senator from Inkerman (Hon. Mr. Hugessen), that in the last line of the motion the words "one thousand nine hundred and fifty-four" be deleted, and that the words "one thousand nine hundred and fifty-three" be substituted therefor.

Some Hon. Senators: Carried!

The motion was agreed to, and the resolution was amended.

Hon. Mr. Robertson: The resolution, as amended, now stands adjourned by the Whip, unless some honourable senator desires to debate the matter further at this time.

Hon. Cyrille Vaillancourt: Honourable senators, may I be permitted to say a few words on this resolution?

As everyone knows, the subject of credit restrictions has two sides. By way of illustration, I should like to draw the attention of the house to some statistics prepared by Caisse Populaire Desjardins, showing the experience of this banking organization in Quebec. The figures for the year 1950 show deposits of $465 million, withdrawals of $453 million, and a balance of $11 million. The figures further show that the average balance per member was $19.45, and the balance of savings for each dollar deposited was 2·5 cents. It is to be noted that during that year the credit restrictions were not in effect.

I now turn to the figures for the year 1951, when the Consumer Credit (Temporary Provisions) Act was in force. In that year the bank had deposits of $583 million and withdrawals of $557 million, but the balance of savings per member was $39.86, and for each dollar deposited it was 4·4 cents. If we break down the figures by cities, semi-urban areas and rural areas, the result is as follows:

	1950 cents	1951 cents
Balance of savings per dollar deposited:		
Cities	4·4	4·9
Semi-urban areas	1·8	2·9
Rural areas	1·0	4·3

That, honourable senators, indicates to me the effect of the imposition of credit restrictions. Laws are not framed for the protection of a few or a limited class, but, ordinarily, in the interests of the mass of the people in the ordinary operations of their lives. In our Caisses Popularies we have no millionaires: most of our clients are labouring men, farmers and the like. With these figures and this explanation you will have a right picture of the institution.

The motion was agreed to.

EMERGENCY POWERS ACT

MOTION

Hon. Wishart McL. Robertson moved:

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

To His Excellency the Right Honourable Vincent Massey, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada.

May it Please Your Excellency:

We, Her Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, respectfully approach Your Excellency praying that sections one to three of the Emergency Powers Act be continued in force, up to and including the thirtieth day of May, one thousand nine hundred and fifty-three.

He said: Honourable senators, this resolution seeks to have parliament consider whether or not the special responsibility placed upon the government to deal with emergencies which might arise out of the grave tension besetting the world today should be continued beyond the initial period provided for the Emergency Powers Act of 1951, passed in the first session of that year.

Honourable senators may recall the terms employed in the preamble of the Emergency Powers Act, which is chapter 5 of the Statutes of 1951:

Whereas an international emergency exists that threatens the security of Canada;

And whereas it is essential that emergency powers be conferred to enable measures to be taken as urgently required from time to time to carry out adequate defence preparations, to regulate the economy of Canada to meet the needs of defence and to stabilize the economy and to safeguard it from disruption that may result from defence preparations in Canada or from emergency measures taken in other countries, in order that defence preparations may not be impeded;

And whereas it is preferable that the necessary emergency powers be exercised under special authority from Parliament rather than that the War Measures Act be brought into force so long as present efforts to avert war are continuing and, moreover, it is not desirable that the wide powers conferred by that Act to interfere with the fundamental liberties of the individual should now be brought into operation:

Therefore His Majesty . . . (etc., etc.)

Subsections 1 and 2 of section 2 of the Act described the powers which the government would be called upon to exercise if and when necessary. May I be permitted to refresh the memories of honourable senators by quoting the provisions of subsection one of section two:

2. (1) The Governor in Council may do and authorize such acts and things, and make from time to time such orders and regulations, as he may by reason of the existing international emergency deem necessary or advisable for the security, defence, peace, order and welfare of Canada; and for greater certainty, but not so as to restrict the generality of the foregoing terms, it is hereby declared that the powers of the Governor in Council shall extend to all matters coming within the classes of subjects hereinafter enumerated, that is to say:

(a) control and suppression of maps, plans and photographs;

(b) control of communications and means of communication;

(c) control of the harbours, ports and territorial waters of Canada and the movements of vessels;

(d) transportation by land, air or water and the control of the transport of persons and things;

(e) trading, exportation, importation, production and manufacture; and

(f) imposition and recovery, in connection with any scheme of control, of fees or charges payable to the Receiver General of Canada or into any fund or account established by order or regulation for the purposes of the scheme of control.

These powers were qualified by subsection (2) of section 2 in the following way:

(2) Notwithstanding anything contained therein, the powers conferred on the governor in council by

subsection one do not include power to make orders or regulations in relation to

(a) arrest, except as incidental to proceedings under section three, detention, exclusion or deportation of any person;

(b) censorship or the control and suppression of publications and writings; or

(c) expenditure of moneys otherwise than in accordance with an appropriation by parliament except expenditure of moneys from any fund or account established by order or regulation in connection with a scheme of control for the purposes of that scheme of control.

Honourable senators may further recall that subsection (4) of the same section provided that any order or regulation made under the Act would be tabled within five days from the date thereof, if parliament were in session, or within five days from the opening of parliament, were it not in session at the time; and that subsection (5) provided that any order might be annulled by resolution of the Senate and the House of Commons within forty days from the aforementioned tabling. The government undertook, it will be recalled, to provide an opportunity for dealing expeditiously with any such motion that might be proposed.

Section four of the Act provided that it would expire on the 31st of May, 1952, but might be extended for a further period of not more than twelve months on resolution of the two houses of parliament. Such resolution is presently before this house, honourable senators, providing us with an opportunity of determining whether or not certain powers under the Act should be so extended.

Let us now briefly note the occasions upon which recourse has been had to the provisions of the act—an act, let it be kept in mind, designed not to usurp the legitimate powers of parliament, but rather to increase the responsibility of the government, subject to the control of parliament, and to permit the government's taking prompt action in the face of any emergency threatening the peace, order and good government of the country as a result of the threatening international situation.

Nineteen orders have been made under the Emergency Powers Act. Five of these, P.C. 1439 of March 22, 1951, P.C. 2101 of April 26, 1951, P.C. 2847 of June 4, 1951, P.C. 3855 of July 24, 1951 and P.C. 2306 of May 2, 1952, have to do wtih the Great Lakes seamen's security regulations.

Three orders concern the establishment of priorities control and the appointment of controllers. They are orders P.C. 2399 of May 16, 1951, P.C. 2621 of May 24, 1951 and P.C. 5645 of October 22, 1951. The first had to do with controls, and the other two had to do with the appointment of officials to exercise the powers directed to be exercised by the regulations.

Two orders, P.C. 4535 and P.C. 4558 of August 29, 1951, concerned transport control and the appointment of a Transport Controller. These had in view facilitating the distribution of freight cars throughout the Prairie Provinces in order to move grain destined for export.

P.C. 1234 of March 3, 1952, concerned the control of the export and import of cattle and meat products to and from the United States, consequent upon the embargo resulting from United States laws after the outbreak of the foot-and-mouth disease in Canada. This particular order might equally well have been made under the Export and Import Permits Act, but it was felt that reference to the Emergency Powers Act would place the validity of the order beyond challenge.

A security order, P.C. 3486 of July 4, 1951, was exempted from publication, the only order to fall into this category. Another order, P.C. 3484, of August 8, 1951, had to do with the operation by agencies of the United States Government and the United States defence forces, of radio stations in Canada, in connection with our joint arrangements for protection of this continent. Another order, P.C. 6598 of December 6, 1951, exempted from customs duties personal gifts, of a value not exceeding $25, from members of the Canadian forces serving abroad and addressed to relatives or friends in Canada.

Five other orders were passed under the Emergency Powers Act to give immediate effect to provisions that it was intended to have enacted in a permanent form by legislation as soon as possible. They are P.C. 2932 of June 7, 1951, extending the provisions of the Defence Services Pension Act to members of the regular forces granted temporary commissions, and P.C. 3417 of July 4, 1951, concerning the disposition of offences committed prior to the coming into force of the code of service discipline. Both these orders have been replaced by legislation. An order made on July 31, 1951, concerning the Agricultural Products Board has since also been established in legislation. The order made on April 4, 1951, P.C. 1608, providing that other metals be substituted for nickel in the Canadian five-cent piece, is being covered by legislation to be introduced at this session.

On September 26, 1951, P.C. 5122 was made operative postponing the weigh-over

of grain required by the Canada Grain Act. That was intended to be covered by legislation, and there is a section to that effect in the Canada Grain Act amendment now before another place.

No one of these nineteen orders made under the authority of the Emergency Powers Act of 1951 has been challenged as improper in any way by any member of parliament. This, I feel, would indicate not only our good fortune in not having to deal with any more serious emergencies than those to which the orders refer, but the care which the government exercised under the Act in doing only those things urgently required for the peace, order and good government of the country. As to real emergencies since the statute came into force, we have been truly fortunate, but he would be an optimist indeed who would say that the international situation implied in the preamble to this statute, and which I have recited, has in any degree become less tense than when that statute was adopted. Many, indeed, would incline to an opposite view. We are forced today to appropriate billions of dollars to keep us in a state of preparedness against the possibility of an eventuality which we fervently hope will never arise. It is felt that while building up our armed forces along with our allies, with a view to forestalling any great international crisis, we should at the same time have ready for use, if required, some extraordinary powers, however much we may hope that they may never have to be used. In the present difficult times we are convinced that we would be taking an undesirable, if not unforgiveable, risk in not having an instrument capable of being used expeditiously if conditions so warrant. This, of course, is a matter for parliament to decide.

Fourteen months have now gone by since the Act was passed. In that time I am sure that any uneasiness that any honourable senator may have felt as to the possibility of abuse of any power vested in the government, will have been completely dissipated. The same undertakings given when the Act was originally enacted are given now, with respect to bringing to a decision any resolution or vote designed to set aside any regulation that might be made under it. The possession of extraordinary powers is distasteful to any democratic government, but critical and extraordinary times force distasteful exigencies upon us. The guards against abuse are ample, however, and the record is one to inspire confidence. I therefore recommend for the serious consideration of honourable senators the question of whether or not these powers should remain available for another period of twelve months, and I urgently suggest they should.

Hon. John T. Haig: Honourable senators, I have never been in favour of these powers, though there may be some excuse for them in time of war. While it is true that we are now experiencing a cold war, the Parliament of Canada can easily be summoned at any time to give sanction to legislation of this kind.

I have always been uneasy about a government legislating by order in council, and that is what this amounts to. I do not like it; and while I do not intend to argue the pros and cons of the matter, I may say to the leader of the government (Hon. Mr. Robertson) that there is a growing feeling of uneasiness in democratic countries which follow the British parilamentary system, that too much power is falling into the hands of the cabinet. Canada is just as bad in this respect as any other country. Because of the small majority enjoyed by the Conservatives in the House of Commons, the British cabinet does not have much power in this respect at the present time, but evidence of this growing practice is to be found in South Africa, where the government is exercising practically dictatorial powers. In that country the parliament and not the judges are interpreting and enforcing the laws of the country because of a judicial decision that was contrary to what the majority thought it should be.

I am opposed to this kind of legislation, and do not think it is necessary, but I am not going to cause delay in this matter.

Hon. Gordon B. Isnor: Honourable senators, before we adjourn, and while the thoughts expressed by the leader of the government (Hon. Mr. Robertson) are fresh in our minds, I wonder if he would be good enough to explain why the previous resolution dealing with the Consumer Credit (Temporary Provisions) Act was not incorporated with this resolution, and the two matters dealt with in the one resolution?

Hon. Mr. Robertson: I think the answer is that the Consumer Credit Act, which is for the control of credit, is a separate statute dealing with a specific thing, the control of credit. A more or less blanket authority is

given under the Emergency Powers Act. Under the section that I referred to, orders in council may be passed, some of them of a temporary nature, in the expectation that at the first opportunity they, like the temporary credit restrictions, will be embodied in a statute. Several orders in council passed under authority of the Act have now ceased to exist because the subject-matter with which they dealt has been covered in the statutes.

The motion was agreed to, and the resolution was adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 28, 1952

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

Prayers and routine proceedings.

INCOME TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 205, an Act to amend the Income Tax Act.

The bill was read the first time.

EXCISE TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 206, an Act to amend the Excise Tax Act.

The bill was read the first time.

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

Hon. Mr. Robertson: A practice which I have tried to follow as closely as possible in the absence of special reason to the contrary is to give the customary two days' notice to second readings. I would ask, however, to have this bill—one of five presented today for first reading—set down for tomorrow.

As honourable senators will have noticed, the Order Paper for tomorrow provides for second reading of Bill 207, an Act to amend the Excise Act, 1934, which will be explained by the honourable senator from Toronto (Hon. Mr. Hayden), who at the same time will be prepared to deal with the bill which has just been read a first time. I would move, therefore, with leave of the Senate that this bill be placed on the Order Paper for second reading tomorrow.

NATIONAL LIBRARY BILL

FIRST READING

A message was received from the House of Commons with Bill 245, an Act respecting the establishment of a National Library.

The bill was read the first time.

CANADIAN FARM LOAN BILL

FIRST READING

A message was received from the House of Commons with Bill 275, an Act to amend the Canadian Farm Loan Act.

The bill was read the first time.

CANADA ELECTIONS BILL

FIRST READING

A message was received from the House of Commons with Bill 277, an Act to amend the Canada Elections Act.

The bill was read the first time.

INDUSTRIAL DEVELOPMENT BANK BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill Y-8, an Act to amend the Industrial Development Bank Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill Y-8, an Act to amend the Industrial Development Bank Act, have in obedience to the order of reference of May 19, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

CANADIAN FORCES BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 224, an Act respecting the Canadian Forces.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 224, an Act respecting the Canadian Forces, have in obedience to the order of reference of May 26, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave, I move the third reading now.

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

CANADIAN NATIONAL RAILWAY (TERRACE TO KITIMAT) BILL

REPORT OF COMMITTEE

Hon. A. L. Beaubien (for Hon. Mr. Hugessen) presented the report of the Standing

Committee on Transport and Communications on Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia, have in obedience to the order of reference of May 21, 1952, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Reid: Next sitting.

Hon. Mr. Robertson: Next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Paul H. Bouffard presented the report of the Standing Committee on Miscellaneous Private Bills on Bill I-8, an Act to incorporate the National Dental Examining Board of Canada.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill I-8, an Act to incorporate the National Dental Examining Board of Canada, have in obedience to the order of reference of May 20, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Paterson: With leave, I move the third reading now.

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

COMMITTEE MEETINGS

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, on the motion to adjourn, I may say that it is fortunate that our order paper today is relatively short, for the Standing Committees of the Senate have important business before them. I understand that some of them will meet immediately the Senate rises this afternoon.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 29, 1952

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 6 p.m., for the purpose of giving the Royal Assent to certain bills.

TARIFF BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 276, an Act to amend the Tariff Board Act.

The bill was read the first time.

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

Hon. Mr. Farris (for Hon. Mr. Robertson): Monday next.

CANADA DAIRY PRODUCTS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill B, an Act to amend the Canada Dairy Products Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill B, an Act to amend the Canada Dairy Products Act, have in obedience to the order of reference of May 14, 1952, examined the said bill and now beg leave to report the same with the following amendment:

Delete all words after the word "repealed" in line 5.

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

Hon. Mr. Hayden: I suggest that, with the consent of the Senate, it be considered now.

Hon. Mr. Farris: I would ask that it stand until Tuesday next. I do so at the request of the leader of the government, who wishes to make some statement.

The Hon. the Speaker: Consideration stands until Tuesday next.

TEMPORARY LEADER OF THE GOVERNMENT

On the Orders of the Day:

Hon. Mr. Haig: Honourable senators, I rise to mention a point of importance to this house. I wish to congratulate the government upon their appointment of the senator from Vancouver South (Hon. Mr. Farris) to the position of leader of the government on this occasion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: It is a very happy occasion for me, because now each side of the house is properly led by a western senator.

CANADIAN NATIONAL RAILWAY (TERRACE TO KITIMAT) BILL

THIRD READING POSTPONED

On the Order:

Third reading of Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia:

Hon. Mr. Farris: Honourable senators, I understand from the leader of the government (Hon. Mr. Robertson) that there has been some discussion about an amendment to this bill. In any event, he asked me to have this order for third reading stand until Monday.

Hon. Mr. Haig: Stand.

The Hon. the Speaker: The order stands.

EXCISE TAX BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 206, an Act to amend the Excise Tax Act.

He said: Honourable senators—

Hon. Mr. Haig: I thought there were two bills dealing with Excise.

Hon. Mr. Hayden: There are, the Excise Bill and the Excise Tax Bill. The one I am proceeding with is Bill 206, an Act to amend the Excise Tax Bill.

Section 1 of the bill deals with that portion of the present Excise Tax Act which relates to the tax on dressed furs. By virtue of this bill and the implementation of the budget resolutions, the tax on furs is reduced from 25 per cent to 15 per cent.

By section 2 of the bill the tax on imported garments which have a fur content is reduced from 25 per cent to 15 per cent.

Section 3 contains a rather unimportant change. Under the Act as it stands there are various officers, such as trustees, liquidators and assignees, who are required to get

a clearance from the Excise Tax Division before distributing the assets of an estate. It is now felt that that provision is of little or no importance so far as trustees in bankruptcy are concerned. They are, therefore, relieved of the requirement of the law and the penalties that would flow from failure to get a clearance permit or a certificate.

By section 4, Schedules I, II and III are repealed, and three new schedules are substituted therefore, making the appropriate changes and reduction in the tax. Honourable senators will note that the tax on all the items that appear in Schedule I on page 3 of the bill are reduced from 25 per cent to 15 per cent. The item which dealt with stoves, refrigerators and the like, on which there was a duty of 15 per cent, is eliminated.

On page 4 of the bill honourable senators will note various items, numbered 6 to 14, on which the tax heretofore has been 25 per cent, which by the passage of this bill will be reduced to 15 per cent.

On page 5 of the bill—still part of Schedule I—the tax on the various items down to but not including item 16, is reduced from 25 per cent to 15 per cent. On item 16 the tax remains unchanged at 15 per cent. As to item 15 on page 5, I should perhaps explain that an amendment was offered in the other house for the purpose of greater certainty in dealing with carbonated beverages. Some of the manufacturers of soft drinks—particularly Coca-Cola, I think—have felt that the language was not sufficiently clear to cover their products in the form of syrups and concentrates which are diluted for consumption. This amendment appears in the bill as passed by the other house. It simply added at the end of item 15 the words:

except where the mixture or product is advertised or sold for making soft drink beverages or imitations thereof . . .

Then if you look at Schedule II you will see certain items on which reductions of the excise tax are proposed. In the first item, the tax on carbonic acid gas, which was 50 cents a pound, has been reduced to 25 cents. In item 2, relating to cigarettes, manufactured tobacco and Canadian raw leaf tobacco, the tax for each five cigarettes or fraction thereof, which was 2¾ cents, is now two cents. Under paragraph (b) the tax on manufactured tobacco, including snuff, but not including cigars and cigarettes, which previously was five cents an ounce, is now 80 cents per pound. If you multiply five cents by sixteen you get eighty cents. The catch was that manufactured tobacco in packages might not weigh exactly an ounce, and if it weighed, say, an ounce and a quarter, the tax applicable was calculated on the basis of two ounces. Then as to Canadian raw leaf tobacco when sold for consumption in Canada, paragraph (c), the tax heretofore was one and a quarter cents an ounce. It is now eight cents a pound, so it can be seen that a substantial change has been made.

Certain items have been added to Schedule III. It will be noticed that these are underlined. The first is "Cooking oil and salad oils, not including mayonnaise or salad dressing". Possibly one thing which directed the attention of the government particularly to this item was an action about a year ago in the Exchequer Court in relation to peanut oil used for shortening purposes. The decision of the Exchequer Court was that, although under Schedule III shortening was exempt, the ordinary concept of "shortening" is something in solid form, and that since this was in liquid form it would not qualify under that term. The judgment proceeded to point out that, to make peanut oil solid, all one had to do was to apply a process of hydrogenization; and then, when one wished to make it available in liquid form for use in a cooking process, to apply heat. Taking all these facts into consideration, the government has now seen fit to include those cooking oils which have a definite shortening use as exempt from sales tax.

To the item "Fruit, fresh, canned, frozen, dried or evaporated" the word "preserved" is added. I suppose the acting leader of the government (Hon. Mr. Farris) would be more familiar than I am with this item, because a certain type of melon called the yucca, I understand, grows in the Okanagan Valley and is preserved in this form, and it was thought that this should be included in the item, "fruit, fresh", etc., which I have quoted.

In the form of various items under this same schedule you find the addition of the words "baling wire". Baling twine is an item which has been exempt almost as long as this schedule has been in existence. The farmers have found that baling twine is not strong enough for baling hay, and they are using wire; as it serves the same purpose, they feel that it should be included in the list of exemptions. So it has been added here.

On page 7 the following item is underlined:

Steel pens and complete parts thereof for farm animals, and articles and materials for use exclusively in the manufacture thereof;

More and more steel pens for farm use are replacing timber, and there have been many requests for the inclusion of this item in the list of exemptions.

Under the heading "Engines" the word "accessories" has been added. For some time the department has been regarding accessories to tractors—such as the seat, the spotlight, and so on—as being part of the tractor, and

have classified them as exempt. A recent Tariff Board ruling, however, held that these items were not part of the tractor, and therefore were not entitled to exemption. The department, in order to make sure that they are exempt, has added the word "accessories" under this particular heading of "Engines".

Honourable senators will find that under the heading "Marine and Fisheries" on page 8, the following item has been added:

Preservatives for use exclusively for treating fishing nets, ropes and lines;

It was felt that an item as important as this to one of Canada's basic industries should be exempt, and it has been included in this schedule.

The next item I should like to refer to is to be found on page 10. Under the heading "Processing Materials" we find the following:

Clays and earth for use exclusively as filtering materials in the refining of petroleum oils.

There is a type of clay used in the filtering process in the refining of petroleum oils, which though it is not consumed in the process becomes waste material and has no further value, therefore it is felt that this clay should carry an exemption, and it has been included.

At the bottom of page 10 appear the following words:

Tires and tubes for use exclusively on the machinery enumerated in Customs Tariff item 411a.

Customs Tariff item 411a deals with logging equipment. The Tariff Board ruled that the tires which go with logging equipment are not complete parts in their use, and therefore do not qualify for exemption under this miscellaneous schedule. The department has now included them as being exempt.

Several other items have been added to the list, and appear on page 11. They can be readily picked out because they are underlined. I have already said that 411a refers to logging equipment.

Item 437 deals with:

Locomotives, cars and coaches and repair equipment, belonging to railroads, brought temporarily into Canada for the purpose of clearing obstructions, fighting fires or making emergency repairs on railway lines within Canada; detector cars when imported to test rail in tracks in Canada.

and Item 476b refers to:

Surgical suction apparatus including motive power; prepared surgical sutures; ethylene; operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under regulations prescribed by the Minister.

These have been added to the exempted list.

Tariff Item 478 refers to:

Artificial limbs; spinal and other orthopedic braces; parts of the foregoing.

With respect to Tariff Item 478, the former wording in the Excise Tax Act was divided into two parts. Now, in view of certain changes in the tariff item, it has been felt necessary to replace the former wording by a reference to these items in the Customs Tariff, so that they can be more readily identified.

I should point out that the reduction in duty from 25 to 15 per cent on the items 6 and 13 under Schedule I did not go into effect on April 9 with the other items, but provision was made to put them into effect on May 15. There is no mystery about this. The fact is that appeals were pending before the Tariff Board as to whether or not certain types of equipment qualified under this particular item. The item having been re-drawn and re-cast, to make sure these particular things were included, the department felt that it should not prejudice the position of the parties before the Tariff Board, and so provided for a later date of the coming into force of these two items.

Item 6 has to do with the little instruments in hotel rooms which look like radios, and through which one can tune in a recorded musical program. The department took the position that these instruments were substantially radios, and that was the question in issue. The wording in the new item 6 puts this beyond doubt, because the words to be found on page 4, "apparatus for receiving radio broadcast and music", have been added.

Item 13 has to do with a fork-lift truck. The department was prepared to regard this as a motor vehicle, but the other party appearing before the board claimed that it was not a motor vehicle. It will be seen beyond doubt that a fork-lift truck is put into item 13 by the language used namely, "self-propelled machines." A fork-lift definitely comes under the description of a self-propelled machine, and therefore tires for it would come under the new item 13.

I do not think there is anything else in this bill which requires explanation. As a matter of fact, I believe I have covered all the items.

Hon. Mr. Davies: Have they placed a tax on diffusion radios that are to be found in hotel rooms?

Hon. Mr. Hayden: That type of apparatus comes under item 6 of Schedule I, and the *ad valorem* tax is 15 per cent.

Hon. Mr. Davies: Those instruments are not radios at all.

Hon. Mr. Hayden: They fall within the same item which deals with radios.

Hon. Mr. Euler: May I ask my friend a question? Perhaps I misunderstood him, but

I thought he stated that vegetable oils to be used in shortening are exempted from sales tax. Is that correct? If so, is the exemption confined only to such vegetable oils as are to be used in shortening?

Hon. Mr. Hayden: The exemption applies to "cooking oil." That is the wording used.

Hon. Mr. Farris: Is that for margarine?

Hon. Mr. Euler: It could be.

Hon. Mr. Hayden: The foodstuff exempted is "cooking oil", for whatever purpose it may be used.

Hon. Mr. Euler: To make a hackneyed reference, may I ask if that would include vegetable oils used in margarine, for instance?

Hon. Mr. Hayden: Well, if the vegetable oil is a cooking oil, it would be exempted from tax. To get exemption you do not have to disclose the end purpose.

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

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

Hon. Mr. Hayden: I am in the hands of the Senate. If honourable members wish the bill referred to a committee, I am prepared to move accordingly; otherwise I would move that it be set down for third reading on Tuesday next.

Hon. Mr. Haig: I do not think it is necessary to send it to committee.

Hon. Mr. Hayden: If that is the wish of the Senate, I move that the bill be set down for third reading on Tuesday next.

The Hon. the Speaker: Tuesday next.

EXCISE BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 207, an Act to amend the Excise Act, 1934.

He said: Honourable senators, this bill amends the Excise Act, whereas the bill which has just received second reading amends the Excise Tax Act. The difference between the two Acts, in principle, as I understand it, is that the Excise Tax Act deals with *ad valorem* rates and also specific rates of duty on a wide variety of goods—goods which are at large, in the sense that the manufacturer is in possession of them and free to deal with them, subject to being accountable for the tax when he sells them. The Excise Act applies to goods in bond under some restriction or other. Sometimes the assurance of payment of the excise on such goods is guaranteed by a bond given to the department when it permits the goods to be moved into the premises of a manufacturer for processing by him. In theory these goods are still in bond even while on the manufacturer's premises. I understand that to be the essential difference between the two statutes. Frankly, so far as I am concerned, I think I could adapt my mind to an understanding of the levies if they were all made in the one statute, but we have to deal with the separate statutes as we find them.

The changes proposed by this bill are very simple. Section 1 has to do with spirits. Methods have been developed by which spirits can be manufactured and produced other than by the process of distillation. I understand that alcohol is manufactured now out of petroleum, for instance. It is necessary to amend the definition of "spirits" to keep it in line with scientific developments, and that is the only reason for this amendment.

Subsection 2 of the same section defines "Canadian brandy". There is nothing new in this. The definition has for years been in the schedule to the Act, and all that is being done now is to put it in the definition section, where it properly belongs.

Section 2 of the bill amends the definition of "Canada twist". If you look at the explanatory note on the opposite page of the bill, you will see that the new definition eliminates the words "by the cultivator thereof". Those words have become meaningless, because no person can manufacture Canada twist for sale unless he is licensed as a tobacco manufacturer.

Subsection 3, on page 2 of the bill, provides that every licence shall terminate on the 31st day of March in each year. Under the present law, anyone who applied for a licence at the beginning of the fiscal year or within a certain period thereof paid the full year's fee, but if application was made for it after the first day of October the licence was issued for the remainder of the fiscal year upon payment of half of the annual fee. It has been decided to do away with this division of the year, and if this amendment is adopted it will not matter when a licence is applied for—whether in the first month or the twelfth—the full year's fee will be payable for the licence. In other words, there will no longer be any bargain prices for licences issued under this section.

Section 4 has to do with drawbacks on spirits when used for certain purposes At the present time a drawback of 99 per cent

is payable on spirits used for scientific purposes only by "any scientific and research laboratory sponsored by the government of Canada or by the government of any province". The amendment makes clear what kind of government assistance constitutes sponsorship. This is done by repealing paragraph (a) of subsection 2 of section 140 of the Act and substituting a new paragraph (a), which specifies that the drawback is payable "to any scientific and research laboratory in receipt annually of aid from the government of Canada or a province".

The present Act also provides that a drawback of 99 per cent on spirits used for medicinal purposes only may be paid to any bona fide public hospital certified to be such by the Department of National Health and Welfare. That is provided for in paragraph (c) of subsection 2 of section 140 of the Act. The present paragraph is being repealed, and is replaced by a new paragraph (c), which makes the drawback on such spirits payable to any bona fide public hospital or municipal health clinic certified to be such by the Department of National Health and Welfare. Also a new paragraph (d) is added, under which entitlement to the drawback on spirits used for medicinal and research purposes only is extended to "any health institution in receipt annually of aid from the Government of Canada or a province".

Section 5 of the bill repeals section 160 of the Act and substitutes a new section therefor. The present section 160 restricts, subject to the provisions of the Unfair Competition Act, 1932, the kind of label that may be placed on a bottle or flask of spirits. The only change in the new section is to make this restriction subject to the provisions of the Food and Drugs Act also. The administrators of the Food and Drugs Act have recently become quite concerned about various brands of Scotch whisky, and so on, and have worked out elaborate definitions. They are particular about what kind of statement is made on the labels on bottles of whisky.

Hon. Mr. Horner: Are they not going to be more particular about what is put inside the bottle as well as about what is put on the label?

Hon. Mr. Hayden: It is feared that a very enticing label on a bottle might induce a purchaser to make too optimistic assumptions about the quality of the contents. The authorities want you to know, before you take the cork out of the bottle, that what is represented on the outside is really there on the inside.

Hon. Mr. Beaubien: Very understandable.

Hon. Mr. Hayden: Section 6 makes provision for offences arising out of instances such as I mentioned in relation to section 4, where additional persons and institutions are entitled to drawbacks. If, for instance, a drawback has been obtained on the representation that the spirits were to be used for a certain purpose, or were to be in a certain prescribed place—both of which give them a quality which entitles the owner to a drawback—and the spirits are removed from the place where it was supposed to have been held, an offence is provided against the owner of such spirits, which are "unlawfully or fraudulently removed from any place where spirits subject to drawback are held."

Two additional offences appear at the top of page 3. These have to do with spirits:

> (g) that have been released from excise bond exempt from duty as being for the use of a person or organization by law entitled to such exemption but which spirits have been subsequently sold or otherwise disposed of to a person not entitled to any exemption; or
>
> (h) that have been released from excise bond either free or at a reduced rate of duty for a specific use and have been subsequently diverted to a use other than that for which the exemption was given.

Hon. Mr. Paterson: May I ask the honourable senator what is the meaning of the words "the proof whereof shall be upon the person accused" appearing on page 2, line 33?

Hon. Mr. Hayden: They simply mean that the person who is accused will have to prove that he was entitled to do what he is charged with having done. In other words, this section puts the onus of proof on the accused. There is nothing new in that, for there are many sections in the Excise Tax Act which place upon the accused the onus to prove that he has not committed an offence.

Hon. Mr. Reid: How does a person go about getting exemption for the possession of spirits?

Hon. Mr. Hayden: If my friend wanted an exemption, he would have to establish a health institution which enjoyed an annual grant from the Canadian government or from one of the provinces, and use the spirits for medical and research purposes only. In that way he would qualify for a 99 per cent drawback. I should point out, however, that the spirits on which he would be entitled to this drawback would be not less than 50 per cent overproof.

Hon. Mr. Reid: I guess I would not qualify.

Hon. Mr. Hayden: On page 3 of the bill are set out the penalties for the offences which I have just described. These include forfeiture. The amending words are merely extensions of language now in the Act.

Section 7 of the bill deals with the making of homebrew. The ordinary method of making

this product is from malt, after having secured a licence or a letter of consent from the nearest customs or excise official. As long as the maker did not make more than he required for himself and his family, he could go on his merry way; but if he sold some of the product, he would be committing an offence under the Act. In the progress of science extracts have been discovered from which beer can be made without the process of brewing. All that this section does is to add the words "makes or" to the original section 178.

The present section reads:

Everyone who brews any beer for the use of himself and his family . . .

The new section reads:

Everyone who makes or brews any beer for the use of himself and his family . . .

Section 8 deals with the same subject matter, adding the words "makes or" and "made or".

Section 9 deals with the situation of a manufacturer of perfumes or vinegar who gets a tank car or more of spirits delivered to his premises for manufacture, and has that shipment held in bond upon posting security in the sum of $5,000. An amendment is proposed to the section by which the minister, if he thinks the security of the excise to which the government is entitled is at stake, may ask for a larger bond.

Section 10 is a consequential amendment resulting from section 2 of the bill, which relates to the manufacture and sale of Canada twist.

Section 11 would provide penalties for the unlicensed use of machines in the manufacture of cigarettes. It makes use of these words:

Everyone who, without having a licence under this Act . . . purchases, sells, has in possession or uses in the making of cigarettes, cigarette papers in rolls or on spools or bobbins, or in lengths greater than twenty inches, is guilty of an indictable offence . . .

The government, in order to assure itself of the revenue from tax on cigarettes, licenses the manufacturers. If machines such as those specifications were permitted to be used, an illicit business could easily develop, cigarettes could be produced by mass production, and the government would quickly lose control of the situation. For that reason it is desirable to provide that everyone who, without a licence for the specific purpose, has in his possession, sells or makes cigarettes with certain equipment and materials is guilty of an offence.

Section 12 simply repeals the schedule to the Act and substitutes for it a new schedule, which came into effect on April 8 last.

I should like to draw the attention of the house to items 5 and 6 in the schedule, which appeared on page 6 of the bill. They are as follows:

(5) Spirits distilled from wine produced from native fruits and used in any bonded manufactory for the treatment of domestic wine are subject to no duty of excise.

(6) Spirits used directly in the manufacture of toilet preparations or cosmetics on which excise tax is applicable under Schedule I of the Excise Tax Act, are subject to no duty of excise.

I believe that formerly these items were subject to a duty of $1.50 a gallon.

Those are all the provisions of the bill. They are relatively few in number, and in the main they are broadening in their effect.

Hon. Mr. Reid: What about the proposed amendment under the heading "Beer" on page 7?

Hon. Mr. Hayden: In item III of the schedule, page 7, there is a reduction: the excise tax upon all beer or malt liquor, which was forty-five cents, is to be forty-two cents per gallon.

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

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

Hon. Mr. Haig: Next sitting.

Hon. Mr. Hayden: I make the same suggestion as was made in relation to the other bill. If it is the wish of the Senate that the bill should receive third reading without going to a committee, I am willing that it be set down for third reading next Tuesday.

The Hon. the Speaker: Tuesday next.

DOMINION SUCCESSION DUTY BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 208, an Act to amend the Succession Duty Act.

Hon. Mr. Aseltine: This bill has just been distributed. Until I took my seat in the chamber I did not have an opportunity to even glance at it. I think some time will be needed to study it.

Hon. Mr. Hayden: I was not aware until we met this afternoon that the bill had not been distributed. I am ready to give an explanation.

Hon. Mr. Aseltine: Why not let it stand until Tuesday next?

Hon. Mr. Farris: I suggest that if the honourable senator from Toronto (Hon. Mr. Hayden) would make his speech, probably we should be better able to study the contents of the bill.

Hon. Mr. Aseltine: I don't know whether I want to speak on it; I do not know much about it yet.

Hon. Mr. Hayden: I assure you I will do the best I can to complicate what is already complicated!

Hon. Mr. Haig: I suggest that the honourable senator make his speech now and that the debate be adjourned until Tuesday.

Hon. Mr. Farris: You can move the adjournment afterwards.

Hon. Mr. Hayden: This bill deals with certain amendments to the Dominion Succession Duty Act, some of them highly technical. I do not know how many times in a year or a lifetime the conditions to which they apply might occur, but I venture to say that it would not be often, because most wills are simple in their structure, and these provisions relate to more complicated wills which contain general powers of appointment and things of that kind. I will do my best to inform you of what I believe to be the intent of the amendments.

Section 1 is, of course, merely a "tidying-up". The Income Tax Act is given its proper name where it occurs in section 2, paragraph (i) of the Succession Duty Act. It was formerly referred to as "the Income War Tax Act."

Section 2 of the bill contains three subsections having to do with section 3 of the present Succession Duty Act. This section, which is under Part I of the Act, "Dispositions Deemed to be Included in a Succession", was, as regards subsection 1 (j), the subject of a decision in the Quebec courts, as a result of which the present amendments have been drafted. The new paragraph (j) reaffirms or re-states the law as the court stated it to be under the old paragraph (j); and paragraphs (ja) and (jb) are added to cover situations which were held not to be included in the original paragraph (j). As I understand the facts, in the case in point, a marriage settlement was made many years ago, but the payments thereunder were to fall in only upon the death of the settlor—the person who entered into the marriage settlement. The Quebec courts held that these subsections of section 3 of the Act were mutually exclusive; that subparagraph (j) is where you "stay put" as regards the application of subsection 3 to marriage settlements, and because they are mentioned in that paragraph, no other subsection is applicable. They further held that because the marriage settlement was entered into so many years ago, even though payment did not fall in until the death of the settlor, the payment was excluded from the succession, it did not form any part of it. The department decided that this was not the intention of the law, and accordingly prepared the amendment now before us.

The purpose of the new paragraph (j), therefore, is simply to re-state the content of the original paragraph (j), namely, that property transferred to or settled on any person by a deceased in consideration of marriage within three years prior to the death of the deceased is included within the succession period.

Paragraph (ja) includes within the succession, as a result—

> property agreed to be transferred to or settled on any person by the deceased under an agreement made by the deceased under an agreement made in consideration of marriage at any time before or after the coming into force of this paragraph, to the extent that the property agreed to be transferred or settled was actually transferred or settled within three years prior to or on or after the death of the deceased.

It will be noted that this terminology covers the type of case which was considered by the Quebec courts and held not to be covered by the original paragraph (j).

Paragraph (jb) covers the type of marriage settlement where there is a reservation of benefit for life or a period determinable by reference to the death of the settlor. In these circumstances the property covered by a settlement with such reservation is made a part of the succession.

The sum total of these paragraphs, if they become law, is that only those marriage settlements actually executed or fulfilled more than three years before the death of the settlor or the transferor are entitled to be excluded from the provisions of section 3, and so not to be included in the succession.

Hon. Mr. Davies: Does that mean that a settlement made three years prior to death will not be subject to succession duty?

Hon. Mr. Hayden: If the settlement were actually executed or fulfilled more than three years prior to death. By that I mean that such property was transferred, so that the transaction was completed.

In that same connection we should consider section 4, which forbids the deduction of the marriage settlement debts or allowances in determining the correct net or dutiable value of the estate. In paragraph (ja), and also in section 4 which I have been talking about, they use very broad language. Paragraph (ja) reads:

> property agreed to be transferred to or settled on any person by the deceased under an agreement made in consideration of marriage at any time before or after the coming into force of this paragraph, to the extent that the property agreed to be transferred or settled was actually transferred or settled within three years prior to or on or after the death of the deceased;

The same language is used in section 4, and it has a retroactive effect. I have been

advised by the departmental officers that with respect to any person dying after these provisions come into force the retroactive effect would then apply to any deeds relating to any settlements that have been set up by such person. I understand that the bill will go to committee, so the only question I raise at this time is that the retroactive effect might be broader than this. Having regard to the broad language, "at any time before or after the coming into force of this paragraph . . ." the retroactive effect might conceivably go back and affect settlements concluded many years before. If such wide-sweeping retroactive effect exists, we might want to add something in committee which would make clear the meaning intended by the department—that it applies to deeds and settlements, and so on, created by persons who will die after these sections come into force.

The next item with which I wish to deal is probably more complicated than the item of marriage settlements, but I shall try to outline it as briefly and clearly as possible. On page 2 of the bill are to be found the sections dealing with the general power of appointment. These sections provide for what happens on the death of a person who is entitled to exercise the general power of appointment, or in the event of the death of the creator of the general power of appointment.

Let me illustrate this in my own language. Let us assume that a person has a general power of appointment in relation to a certain property, and that he dies without exercising it. For the purposes of determining the succession in respect to such property, the person who is entitled to the benefit of that exercise of power will be the "successor" and the person who dies will be the "predecessor". Now, then, let us take a case where the creator of the general power dies. I know this is complicated but perhaps I can simplify it. Let us say that a person creates by an instrument in writing or in his will a general power of appointment in relation to some of his property, and this is to be exercised by that person. Should the creator of the power die before the power is exercised, the donee of the power becomes the "successor", the creator becomes the "predecessor", and the property becomes part of the succession and is subject to tax. I do not know whether I have made myself very clear.

Hon. Mr. Reid: What is the meaning of *inter vivos*?

Hon. Mr. Hayden: *Inter vivos* is an instrument entered into by living people, as distinct from a will, which takes effect only on death.

At the top of page 2 it will be seen that paragraph (k) of subsection (1) of section 3 of the Act is repealed and a new paragraph (k) is substituted. The change is not great, but in order to explain it I shall have to tell you what the subsection does. It provides that:

> property transferred within three years prior to the death of the deceased for partial consideration in money or money's worth paid—

The present section contains the word "paid" and the amendment adds:

> —or agreed to be paid to the deceased, to the extent to which the value of the property when transferred exceeds the value of the consideration so paid or agreed to be paid;

That means that if a person within three years prior to his death transfers property for a consideration which is less than the true value of the property which he has conveyed or agreed to convey, and in respect of which there is an agreement to pay, the value of the property when it was transferred —not the partial consideration which purported to be the consideration—is what forms a part of the succession and is included in the aggregate net value of the estate for succession tax purposes. The only addition is the words "agreed to be paid".

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

Hon. Mr. Hayden: Certainly.

Hon. Mr. Aseltine: Suppose I sell a piece of property to my son or daughter for a stated consideration, and within three years of my death that consideration has been paid. Do you mean to say that the succession duty official can come along and say that that consideration is not the true value of the property, and that the difference between the true value and what has been paid is part of my estate, and therefore subject to succession duty?

Hon. Mr. Hayden: Yes. That sort of transaction was already covered under paragraph (k) of subsection (1) of section 3 of the Succession Duty Act. They have added the case where you agree to make certain payments and have not completed them. It covers the situation whether you have paid or have agreed to pay. I am glad you raised this question, because something has been bothering me in connection with this section, and I may as well put the red lantern on this item now. In the case of a father dealing with his son, we can appreciate, under the income tax law, the reason for going back to determine a consideration paid and the true value of the property when transferred. Now, it seems to me that this subsection has sufficient scope to deal with transactions that are conducted

at arm's length, where the person conveying the property made a foolish deal. We have always said that if a person is in possession of his senses and he makes a foolish deal he alone is responsible. Should the law go so far as to say that if in these circumstances I drive a good bargain, the Succession Duty Branch may within three years of the death of the person from whom I acquired the property decide that it had a higher value than I paid for it, and that the estate of the deceased be increased by the amount of the extra value placed upon the property, or should the section be restricted to transactions between parties who are not at arm's length? I throw that out merely as a thought for consideration in committee.

Hon. Mr. Aseltine: What do you yourself think? Do you not think the language is wide enough to cover a case where the parties are at arm's length?

Hon. Mr. Hayden: Frankly, it appears to me to be wide enough to cover a transaction of that kind. If the departmental representatives tell us in committee that it is not intended to have that wide application, a very simple way of making sure would be by putting in some qualifying language.

The other amendment that I wished to refer to is the new subsection (6) of section 3 of the Act, which is added by subsection (4) of section 2 of the bill, on page 2. That subsection is intended to cover a case where a man makes an agreement to sell property for a certain price, the agreement to become effective upon or after his death. The purpose of the subsection is that, if the property sold in such a transaction has been undervalued, the difference between the price stipulated in the agreement and the fair market value shall be deemed to be a succession. The language used in the subsection is this:

(6) Where under the terms of an agreement made by the deceased at any time before or after the coming into force of this subsection, . . .

Honourable senators will observe the broad scope of that language and its retroactive effect; and in relation to this subsection I raise the same question as I did in relation to the other one. I will read this one from the beginning again:

(6) Where under the terms of an agreement made by the deceased at any time before or after the coming into force of this subsection, property is transferred to or acquired by a purchaser or transferee upon or after the death at a value less than its fair market value, the difference between such value shall be deemed to be a succession to the purchaser or transferee and the deceased shall be deemed to be the "predecessor" and the purchaser or transferee the "successor" in respect thereof.

There are two points here. First there is the question whether the subsection is intended to be or should be limited by some qualification to arm's length transactions. Secondly, there is the wide scope of the language relating to any agreement made before or after the coming into force of this subsection, and the question arises whether application of the subsection is to be limited to persons who die after this amendment comes into force or whether it is to relate to any transaction that was made at any time while the Succession Duty Act itself has been in force.

Section 3 of the bill adds nothing new. It simply tidies up matters by including provisions of the Income Tax Act as well as of the Income War Tax Act.

I have already dealt with section 4.

Section 5 is a relieving amendment, and therefore I know you will find this interesting and acceptable. It repeals the present paragraph (b) of subsection (1) of section 11 of the Act and substitutes a new paragraph (b) therefor. A schedule to the Succession Duty Act sets out various rates applicable to the dutiable value of an estate, depending upon the relationship of the persons receiving the estate. These rates are divided into classes A, B, C and D, class A being applicable to a close relative, such as a widow or child; classes B and C to other groups of relatives; and class D to relatives in any other group and to strangers in blood to the deceased. The department has been advised by its law officers that the word "child" used in paragraph (b) of subsection (1) of section 11 means a natural child, not a child as defined at the beginning of the Act, where the definition is broad enough to include a grandchild and, in certain circumstances, even an adopted child. If the meaning of "child" in the present paragraph (b) is limited to a natural child of the deceased, then children in a number of categories, including grandchildren, would be thrown into the strangers class and their portion of the estate subjected thereby to higher rates of duty.

The purpose of section 5 of the bill is to make it clear that a child taxable in class B is any child as defined in the definition section of the Act, other than a child taxable under class A, and is not subjected to the higher rates applicable to persons coming into classes C and D.

Hon. Mr. Reid: I notice that the last words in the present paragraph (b) are left out of the new paragraph. I refer to the words:

or a child of the deceased eighteen years of age or over at the date of the death of the deceased and not dependent, at that date, upon the deceased for support on account of mental or physical infirmity.

Does the omission of those words signify anything?

Hon. Mr. Hayden: No, it does not. A child covered by paragraph (a) of subsection (1) of section 11 means a child up to eighteen years of age and dependent.

Hon. Mr. Aseltine: The definition would include an adopted child?

Hon. Mr. Hayden: Yes, under paragraph (a). But once a child becomes eighteen he is no longer covered by paragraph (a).

Hon. Mr. Euler: How about a grandchild?

Hon. Mr. Hayden: When a child graduates, shall I say, from the class covered by paragraph (a), into what other class is he to be put for determination of the rate applicable to him on the succession? The departmental interpretation of "child" as used in paragraph (b) would exclude any child falling into a number of categories; as, for instance, a grandchild, and any child over eighteen at the date of the death of the deceased and dependent at that date upon the deceased for support. What is sought by this amendment is a broadening of the meaning of the word "child" as used in paragraph (b). It takes in any child as defined by subparagraphs (i), (ii), (iii) or (iv) of paragraph (b) of section 2 of the Act, but does not include a child coming within paragraph (a) of subsection 1 of section 11 of the Act. The definition of "child" given in those subparagraphs is not set out in the explanatory notes, so I will read it:

"Child" means

(i) a child of the deceased;

(ii) a person lawfully adopted while under the age of twelve years by the deceased as his child;

(iii) a person who, during his infancy for a period of not less than ten years, was in law or in fact in the custody and control of the deceased and was dependent upon the deceased for support; or

(iv) a lineal descendant described by subparagraph (i), (ii) or (iii).

The effect of the amendment is that any child who has graduated out of class A becomes subject to the rates applicable to persons in class B, rather than to the higher rates applicable to persons in the class of a stranger in blood to the deceased.

Section 6 of the bill deals with the credit —and, of course, we are all interested in this—the credit that the federal Succession Duty Office gives for succession duty paid to a province. The credit is computed as follows: it is either one-half of the succession duty paid, or a lesser portion than one-half. You take the fraction, put the provincial succession duty paid on the top, the total federal duty on the bottom and multiply the fraction by the total duty—

Hon. Mr. Duff: Dear, Dear!

Hon. Mr. Hayden: —and that gives you the amount of your credit. Having said it the complicated way, let me now try to put it in the simpler way.

Hon. Mr. Euler: That is better.

Hon. Mr. Hayden: There are certain items on which succession duty is payable to the province and on a different basis than to the federal authority. The federal authority says, in effect, we will let you deduct a percentage of the provincial duties paid on those items which are also subject to federal succession duties. For instance, in the province of Ontario, property transferred as a gift, within five years of death is dutiable, but under the Federal Act property transferred within three years of death is dutiable. One can readily see that there may be two categories for one item in the same estate: a piece of property might be taxable federally for succession duty and not taxable provincially, depending on when the transfer took place. That is why the language of section 6 says that the public is entitled to the lesser of: one-half, or of the total provincial duties divided by the total duties. You then multiply the total duties by that fraction, and whatever the result is, that is the amount of reduction. It is bound to be less than one-half, because that fraction represents the greatest reduction one can get.

Hon. Mr. Duff: Thank God we will be dead when that happens.

Hon. Mr. Hayden: I was about to say that although the succession duty regulations may appear complicated to the layman, there are two things he can do while he is still alive by which, between the combined abilities of himself and his lawyer, he may be able to make a simple disposition in his will and thereby avoid complications that might otherwise follow.

Hon. Mr. Duff: Why not leave it all to the lawyers, and be done with it?

Hon. Mr. Hayden: That might be a very good idea, and I would heartily support it. But I would point out that the money a man pays his lawyer to prepare a proper will will be saved many times over, and the complications will be avoided.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Euler: The lawyers all agree.

Hon. Mr. Hayden: I turn now to section 7 of the bill, and here I must make a small query. I do not say that my view is the correct one, but nevertheless I have a view on

it. Section 7 would provide for fair market value in these words:

> The fair market value of all property shall be determined for the purposes of this Act without allowance or deduction for income tax.

That means that if the estate of a deceased person was made up of, for instance, a number of shares in a private company which were not listed on any stock exchange, the question would inevitably arise as to the determination of the aggregate net value and dutiable value of the estate. This proposed new section, in effect, says that if, in such a case as I have mentioned an attempt is made to arrive at a fair market value, no deduction or allowance is made for income tax. We know that if there is a surplus in the company whose shares are held, and that surplus adds to the value of the shares held, one cannot realize the full amount of the surplus, the reason being that if the dividends had been taken, income tax would have been paid at the applicable rate and the amount to be received would thereby have been reduced. On the other hand, under section 95A of the Income Tax Act—which we had before us a couple of years ago—one could clean out the surplus up to the year 1949 and create a tax-paid surplus by paying 15 per cent tax to the government, or one could clean out the accumulation of surplus income in each year by declaring dividends in the amount of 50 per cent of the earnings of the year and paying 15 per cent tax on the balance, and either take it out or leave it in.

The principle laid down here for determining fair valuation ignores completely the amount by which such shares or assets may be reduced as a result of the application of income tax. If one were buying shares in such a company as I have used for purposes of illustration, he would certainly give some consideration to the effect of taxation on the purchase price. It is my own personal view that the stock market price would sooner or later give some indication of the net value of the asset behind the share. However, that matter can be gone into in committee.

Hon. Mr. Farris: Is that a new principle?

Hon. Mr. Hayden: The principle is not new, but it is new in the statute. As a matter of fact, I understand that the department has made use of it as a rule or practice, but it is now being given the force of law.

Section 8 deals with the valuation of annuities, and provides for the use of a mortality table. Annuities are most difficult to evaluate. If a deceased has created certain annuities during his lifetime, and it becomes necessary to arrive at their value, there must be some yardstick. Under section 8, that yardstick would be a mortality table.

Hon. Mr. Roebuck: But there are several types of mortality tables.

Hon. Mr. Hayden: That is true, but the provisions here are very broad. The section reads as follows:

> The value of every annuity, term of years, life estate, income, or other estate, and of every interest in expectancy shall for the purposes of this Act be determined by such rule, method and standard of mortality and of value, and at such rate of interest as from time to time the Minister may decide, and the value so determined shall be deemed to be the fair market value thereof.

I presume that the Minister would exercise reasonable discretion in selecting a mortality table. He would not select an antiquated table or one that was not now in use by the insurance companies or the trust companies.

Hon. Mr. Aseltine: Would there be an appeal under this section?

Hon. Mr. Hayden: An appeal is provided for in the Act.

Hon. Mr. Aseltine: But this section uses the words,

> . . . the value so determined shall be deemed to be the fair market value thereof.

Hon. Mr. Hayden: There are provisions for appeal in the Act; whether there is an appeal from this particular section in the Act, I cannot at the moment say. Speaking broadly, I recall the old *Pioneer Laundry* case, in which the exercise of discretion as to value for depreciation purposes was dealt with. I think that case on two different occasions went as far as the Privy Council. The first appeal was taken because the Minister refused to allow any depreciation on the basis that, having regard to the vendor and purchaser, there was no change, and no depreciation was allowed. I believe there was a sale from a holder of property or business to the company, at a price by which the value would be reinstated and depreciation would start to run all over again.

In the first instance the deputy minister refused to allow any depreciation. This decision was held not to be an exercise of discretion. Subsequently he arbitrarily made a nominal allowance—I think it was a dollar or some such amount—for depreciation. This also was held not to be an exercise of discretion. So the discretion exercisable is not absolute, though it might appear to be.

Hon. Mr. Farris: The question is whether this is an "exercise."

Hon. Mr. Roebuck: May I ask a question with regard to power to appoint? As I understand the explanation, it seems extraordinary. Am I to understand that when, by will or *inter vivos*, someone gives a power of appointment, and dies before that power has been

exercised, the holder becomes the successor and is liable for succession duty on the property affected?

Hon. Mr. Hayden: No. What I said was, the donee of the power, the person who would be entitled to exercise.

Hon. Mr. Roebuck: That is, the person who makes the will.

Hon. Mr. Hayden: No, the donee of the power would become the successor; the deceased, the creator of the power, would become the predecessor, and the property which was the subject-matter of that instrument would be part of the succession and would be taxable in the estate of the deceased.

Hon. Mr. Farris: In the hands of the donee?

Hon. Mr. Hayden: No, in the estate. If the donee dies without having exercised the power, the property becomes taxable in his estate.

Hon. Mr. Crerar: May I ask my honourable friend if these amendments are final, or if it is to be understood—I heard something to that effect—that there will be a new Succession Duty Act next year or the year following?

Hon. Mr. Hayden: All I know about that is that the minister in another place gave some indication that it was about time to embark on the revision of the Succession Duty Act. I have heard nothing further, nor do I believe there is anything afoot from which one could conclude that such a revision is actively going on.

Hon. Mr. Crerar: The only obseravtion I have to make is that I think some revision of the Succession Duty Act is in order. My honourable friend appears to have given a very lucid explanation of these amendments, but since I am not learned in the law, I am bound to say that it passed several feet over my head. It should be possible to have an Act governing succession duties which the ordinary man of average intelligence could begin to understand. I may be wholly wrong, but it is my impression that what we are getting here is very involved and complicated piece of legal machinery. Surely it is possible to devise a simpler way of dealing with this matter. This measure leaves me with the impression that the people who drafted it did not know what they were about, were confused themselves, and carried that confusion into the legislation which they submit to parliament.

Hon. Mr. Aseltine: I wish to congratulate the honourable senator from Toronto (Hon. Mr. Hayden) on the very fine explanation he has given. Having had some experience in succession duty matters, I flatter myself that I know a little about the Succession Duty Act, and I was able to follow quite clearly his explanation of the bill. I had intended to move the adjournment of the debate, but in view of the honourable senator's very fine exposition I think that, if the bill goes to committee, I can find answers to some questions that I wish to ask and about which the honourable senator himself does not seem any too clear. I do not object to second reading at this time and to reference of the bill to a committee.

Hon. John T. Haig: But for the remarks of the honourable member for Churchill (Hon. Mr. Crerar) I would not have said anything, but in view of what he has said, I must candidly admit that I do not agree with him. I believe that practically any layman can take the Succession Duty Act and file papers with an approximately correct assessment of the duty payable. Lawyers, who as a rule are not expert accountants, are often called to prepare these documents. One good thing about the legislation is the effort to frame it as definitely as possible, because this makes for the protection of the public against the officials.

The honourable member from Toronto Trinity (Hon. Mr. Roebuck) raised a question which has been troubling me for a long time. A will is drawn in which a testator gives his widow a life interest in the total income, or part of it, and at her death the estate ordinarily goes to the children. On what basis is succession duty determined as allocable to the widow's life estate and to the estate of the remainderman? The estate, of course, is subject to the duty which, if the beneficiary is the widow, she would pay, and there is an amount applicable to the reversionary estate, which may go to her children.

Hon. Mr. Aseltine: It all goes out at the one time.

Hon. Mr. Haig: It is a matter of settlement between the two interests. I can speak only of the practice in Manitoba, but I believe it applies to other provinces. When a lawyer is engaged to draw a will, whether a trust company or some individual is named as the executor, it is usual to advise the testator to be careful, if the beneficiary is the wife, and to remind him that perhaps in five or ten or fifteen years, when she dies, there will be succession duty to pay all over again upon the property devolving upon the children or grandchildren. In such cases the matter of the division of the tax between the widow—when she takes the life estate—and the remainderman has become quite important. I have never been satisfied with the basis on which the department works in determining

the life estate of the widow. I presume they have the same actuarial table as the life insurance companies commonly use: that a person of sixty has a life expectancy of ten or twelve years, and that a person of seventy has a much shorter life expectancy.

If my honourable friend from Churchill (Hon. Mr. Crerar) would spend a few months in a law office he would soon realize the great importance of having the provisions of the Succession Duty Act put in terms that are legally correct. This sort of thing should not be left to guesswork. As some of my colleagues have pointed out, lawyers want these words to say what they mean when these matters are contested in the courts.

Let me give an illustration of a case that went all the way to the Supreme Court of Canada. A man died and left the income of his estate to his widow, with power to the executor to use 5 per cent of the capital if she required it. There was no dispute over this point. The remainder of the estate went to a nephew and a niece on the deceased's side, and to a niece on the widow's side. The assets actually consisted of stocks in an Ontario shoe company. The deceased died around 1936 or 1937, at which time the company was realizing only 4 per cent profit on its capital; but from the year 1920 on it had set aside a sum of money annually and had created a large reserve. The dividends of the company climbed fast when war orders started pouring in from all over the country around 1940, and eventually the dividends rose from 4 to 10 per cent. The outcome was that counsel acting for the remaindermen of the estate claimed that the widow could receive dividends of only 4 per cent. There was some question as to whether the investment in the shoe stock was trust investment under the Act. The case finally went to the Supreme Court, where it was held that only 4 per cent could be given to the widow, and so the rest of the estate was awarded to the remaindermen. In this case the exactness of the language of the Act was of great help to the lawyers in working out a settlement.

Honourable senators, I think that the actuarial table used by the department to determine the life estate of the widow should be specially set out, so that there can be no misunderstanding. This table has varied in the past. It will be recalled that the Annuities Act was based on a certain actuarial table of life expectancy, and the Deputy Minister of Labour told us in committee that he jumped the new rates, basing them on an increased life expectancy of four years. When we come to this section in committee I am going to find out from the departmental officials what table or system they use. I am sure that insurance companies like the Sun Life, the London Life, the Great West Life, and the Dominion Life, use an accurate and up-to-date table in making these adjustments.

Honourable senators, I am pleased that the bill is going to committee, and in closing I want to say that I wish I had the ability to explain a bill as capably as the honourable gentleman from Toronto (Hon. Mr. Hayden).

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

APPROPRIATION BILL No. 3

FIRST READING

A message was received from the House of Commons with Bill 288, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1953.

The bill was read the first time.

SECOND READING

Hon. J. W. de B. Farris moved the second reading of the bill.

He said: Honourable senators, this is a request for further interim supply for the public service of the present financial year.

The bill provides for the usual one-twelfth of all items to be voted in the Main Estimates for the fiscal year 1952-53, and the general proportion of one-twelfth for all services is intended to provide for ordinary requirements to the end of June.

In addition to providing the usual one-twelfth of all items, the bill provides additional proportions for a few special items, fourteen in all, which are necessary as a result of heavy seasonal expenses for certain services. These items appear in the schedule to the bill. Two items in the special category requiring proportions in addition to the one-twelfth also appear in the schedule, and I do not think I need outline what these are.

I should refer the honourable house to the statement I am authorized to make on behalf of the government, as acting leader, and which has been made in this house on other occasions. The usual undertaking is given that the passage of this bill will in no way prejudice the rights and privileges of honourable senators to criticize and discuss any item in the Estimates which may come up for consideration from time to time throughout the remainder of the session. Such rights and privileges will be respected, and will not

be curtailed or restricted in any way as a result of this measure having been passed.

Hon. Mr. Roebuck: Do I understand that this simply allows us to talk about it? What about objecting to it and refusing to pass it? We are giving now one-twelfth of some item; when the item comes before us at some subsequent period, according to your undertaking, we can do a lot of talking but can we refuse to pass the item

Hon. Mr. Haig: Yes. This matter comes up every year. When we receive the main Supply Bill, it will show the amount of the whole estimate with a memorandum of what we have already passed.

We can then move for a reduction of any amount that we wish. Just before we adjourned for the Easter recess we passed a bill providing for two-twelfths of the estimates—that is, to cover the months of April and May. It will be recalled that there was quite a row because that bill was not given the Royal Assent before the end of March, and it was said that some civil servants were hard pressed for money. The Supply Bill which we passed at that time included as well additional votes that were needed to cover some special items for which funds were then needed. I have read this bill—

Hon. Mr. Roebuck: But it is not before us.

Hon. Mr. Haig: No. A copy was sent to me only this morning.

Hon. Mr. Roebuck: Why have we not got the bill before us?

Hon. Mr. Haig: It has not been distributed yet. The minister sent me a copy.

When we do get the main Supply Bill—I admit that will be in the dying days of the session—we can vote for whatever reductions we wish, and certainly they would not amount to more than three-quarters of the total estimates for the year.

Hon. Mr. Farris: The amount of money to be voted by the final bill is bound to be large enough to take care of any amount that we might wish to deduct from what is now being voted in advance.

Hon. Mr. Haig: Yes.

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

THIRD READING

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

Hon. Mr. Farris: With the same consent, I move that it be read the third time now.

Hon. Mr. Roebuck: I do think we ought to have the bill here and be able to see it before we give it the third reading. It does seem to me a remarkable procedure to bring in one or two copies of a bill after our sitting begins, and then give the bill first, second and third readings before we have had a chance to read it. I do not think it is necessary to do that sort of thing.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill T-9, an Act for the relief of Libby Levine Bloom.

Bill U-9, an Act for the relief of Shirley Israel Thau.

Bill V-9, an Act for the relief of Ralph Patrick Barker.

Bill W-9, an Act for the relief of Madeliene Kostick Glock.

Bill X-9, an Act for the relief of Olive Myrtle Weston Rouet

Bill Y-9, an Act for the relief of John William Day.

Bill Z-9, an Act for the relief of Marcelle Marchand Adams.

Bill A-10, an Act for the relief of Marie Marguerite Germaine Aubert Forest.

Bill B-10, an Act for the relief of Betty Lauraine Conner Norell.

Bill C-10, an Act for the relief of Francoise Marguerite Beaudin Patrick.

Bill D-10, an Act for the relief of Albert Chevalier.

Bill E-10, an Act for the relief of Greta Mildred Duncan Croteau.

Bill F-10, an Act for the relief of Roland Lesage.

Bill G-10, an Act for the relief of Leo Bercovitch.

Bill H-10, an Act for the relief of Joseph Raymond Demers.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: Honourable senators, it is quite important that these bills be sent to the other house as soon as possible, and as I believe there was no opposition to any of the petitions on which these bills are

based, I would move, with leave of the Senate, that the bills be read the third time now.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Shirley Doreen Rowe.

An Act for the relief of Dorothy Minnie Hogbin Neale.

An Act for the relief of Dorothy Ailsie Jean Coghlin Hands.

An Act for the relief of John Hellmann.

An Act for the relief of Myrtle Jesse Marie Gangin dit Gilmore Cooney.

An Act for the relief of Hilda Richardson Tait.

An Act for the relief of Catherine Vaughan Troy Campbell.

An Act for the relief of Mary Margaret Graham.

An Act for the relief of Bernice Pomp Gates, otherwise known as Bernice Frank Gates.

An Act for the relief of Mary Mildred Antoinette Castonguay Smithson.

An Act for the relief of Alma Dorothy Lines Robertson.

An Act for the relief of Erita Ethel Elliott Morris.

An Act for the relief of Phyllis Joan Cross Cohen, otherwise known as Phyllis Joan Cross Grosvenor.

An Act for the relief of John Gavigan.

An Act for the relief of Elsie Alexandria Thompson Parr.

An Act for the relief of Frances Bailey Hershbain, otherwise known as Frances Bailey Berman.

An Act for the relief of Cosmo Iellamo.

An Act for the relief of Joan Mary Hoerner Rawley.

An Act for the relief of Jennie Harris Klaiman.

An Act for the relief of Dorothy Gertrude French Gorrell.

An Act for the relief of Cecile Emilie Viger Ross.

An Act for the relief of Edna Gibson Smith Schiller.

An Act for the relief of Lillian May Holloway O'Brien.

An Act for the relief of Kathleen Marjorie Hastings Hawkins.

An Act for the relief of Jean Marie Weeks Opzoomer.

An Act for the relief of Doris Abbott Watts.

An Act for the relief of Hyman Krull.

An Act for the relief of Margaret Elizabeth Strange Colton.

An Act for the relief of Irene Britton Lynn.

An Act for the relief of Grace Catherine Piche Lovegrove.

An Act for the relief of Bruce Edward Steggles.

An Act for the relief of Alexander Malcolm Dick.

An Act for the relief of Pauline Augusta McCaskill Foulis.

An Act for the relief of Hilda Avrith Grossman.

An Act for the relief of Sarah Grossman Grotsky.

An Act for the relief of Rose Dorothy Weatherbee Stopps.

An Act for the relief of Nancy Jean Tolmie Dawson.

An Act for the relief of Misha Paunovic.

An Act for the relief of Eva Ena Guenard Brassard.

An Act for the relief of Helen Maude Walmesley Cherry.

An Act for the relief of Margaret Ann Greenaway Worrell.

An Act for the relief of Isabel Welch Remillard.

An Act for the relief of Eileen Shirley Guttman Fagen.

An Act for the relief of Helen Myrtle Woods Poullos.

An Act for the relief of Karl Gunnar Tammi.

An Act for the relief of Peter Nicol Crowe.

An Act for the relief of Fred Jenne Fyles.

An Act for the relief of Louisa Crawford Gordonsmith.

An Act for the relief of Rhoda Hayes Goulet.

An Act for the relief of Malfice Ciccone Nadeau.

An Act for the relief of Mary Rita Estella Brennan Henderson.

An Act for the relief of Florence Edith Holland Clarke.

An Act for the relief of Olga Pretula McGonnigal.

An Act for the relief of Andre Roy.

An Act for the relief of Libertia Vinivar McClusky Rutherford.

An Act for the relief of Therese Michel Paquette.

An Act for the relief of Alice Courey Salhany.

An Act for the relief of Vivian Clement Mole.

An Act for the relief of Olga Katchan Parisella.

An Act for the relief of Frederick Ernest Marlow.

An Act for the relief of Frederick James Perkins.

An Act for the relief of Roger Lessard.

An Act for the relief of Phyllis Muriel Skelcher MacDonald.

An Act for the relief of Audrey Jessie Elizabeth Kinnear Park.

An Act for the relief of Alfred Ernest Farebrother.

An Act for the relief of Herve Brunelle.

An Act for the relief of Jean Frew Hawkins.

An Act for the relief of Lucy Elliott Dolan.

An Act for the relief of Phyllis Kaplan Holloway.

An Act for the relief of Marie Anna Brassard Bachand.

An Act for the relief of Sema Rubin Charles.

An Act for the relief of George Louis Draper.

An Act for the relief of William Young.

An Act for the relief of Ruth Evelyn Sievewright Day.

An Act for the relief of Mollie Balacan Pantel.

An Act for the relief of George Edward Gumbley.

An Act for the relief of Dorothy L. Grauer Shapiro.

An Act for the relief of Sylvia Grace Martin Corbett.

An Act for the relief of Sarah Sybil Aaron Daugaard.

An Act for the relief of Kenneth Ashby Lambe.

An Act for the relief of Lillian Ethlyn Crouse McManus.

An Act for the relief of Marie Leopoldine Gabrielle Asselin Adler.

An Act for the relief of Joseph Jacques Ernest Demers.

An Act for the relief of Madeleine Therrien Ferron.

An Act for the relief of Catherine Victoria Howie Burnett Worthington.

An Act for the relief of Hazel Rawlings Passnick.

An Act for the relief of Douglas Paul Wilbur.

An Act for the relief of Arnold Ernest Kirby.

An Act for the relief of Annie Shaw Young Goudie Corcoran.

An Act for the relief of Frederick Charles Butler.
An Act for the relief of Sam Feldstein.
An Act for the relief of Thomas Richard Markey.
An Act for the relief of Vera Jane Carroll Ross.
An Act for the relief of Ruth van der Walde Crowley.
An Act for the relief of Mabel (Karianoron) Stacey Delorimier.
An Act for the relief of Ruth Friefeld Ragoza.
An Act for the relief of Mary Duncan Barlow.
An Act for the relief of Cyril Frederick Hembling.
An Act for the relief of Denise Gelinas Gilmour.
An Act for the relief of Gordon Eugene White.
An Act for the relief of Silas Maxwell Barrow.
An Act for the relief of Arline Silverman Cohen.
An Act for the relief of Doris Jane Aitchison Birchenough.
An Act for the relief of Margaret Lois Long Fordham.
An Act for the relief of Eileen Roberta Lynn Walker.
An Act for the relief of Claire Greenberg Ghilcig.
An Act for the relief of Rose Godfrey Slutsky.
An Act for the relief of Eva Lubin Greenfield.
An Act for the relief of Gladys Cecelia Fisher Waugh.
An Act for the relief of Sheila Ruth Coppelman Mitmaker, otherwise known as Sheila Ruth Coppelman Mintz.
An Act for the relief of Ada Vera Higgins Montgomery.
An Act for the relief of Priscilla Theresa Marie Laurin Minyaska.
An Act for the relief of Marie Dora Adrienna Menard Chartrand.
An Act for the relief of Bridget Chisson Musseau.
An Act for the relief of Emilia Bigelis Kozakiewicz.
An Act for the relief of Dora Katz Schneiderman.
An Act for the relief of Joseph Lionel Bibeau.
An Act for the relief of Helene Philomena Schenker Champ-Renaud.
An Act for the relief of Mary Finkelstein Fogel.
An Act for the relief of Gregorij Sergeij Anker-Jakerov.
An Act for the relief of Florence Margaret Parsonage Velleman.
An Act for the relief of Georgine Jun Ruzicka.
An Act for the relief of Jean (Janek) Mazur.
An Act for the relief of Giuseppa Manuri Bartucci.
An Act for the relief of Joseph Edgar Eaton.
An Act for the relief of Nathalie Olga Marianne Pervouchine Petrik.
An Act for the relief of Lily Stall Wax.
An Act for the relief of Charles William Silver.
An Act for the relief of Hilda Irene Gordon Diamond.
An Act for the relief of Jochwet Freiberg Rosenstein.
An Act for the relief of Mabel Elizabeth Jones McKay.
An Act for the relief of Dorothy Esme Graham Snell.
An Act for the relief of Olive Winifred Thistle Gour.
An Act for the relief of Sergius Messier.
An Act for the relief of Samuel Long Adamson.
An Act for the relief of Sadie Issac Kannon.
An Act for the relief of Yvonne Yvette Lalonde Faucher.
An Act for the relief of Kenneth Oliver Frawley.
An Act for the relief of Carol Almina Perry Alleyn.
An Act for the relief of Edna Pearl Tait Ames.
An Act for the relief of William Payne.
An Act for the relief of Edith Olive Catherine Cramp Midgley.
An Act for the relief of Dorothy Lillian Robinson Kay.
An Act for the relief of Emily Eileen Withall Rediker.
An Act for the relief of Joseph Charles Gerard Jean Leduc.
An Act for the relief of Hilda Miriam Magee Taylor.
An Act for the relief of Laurent Langlois.
An Act for the relief of Dorothy Lucille Girard Ward.
An Act for the relief of Alfred Machabee.
An Act for the relief of Fanny Iancovici Weissenberg.
An Act for the relief of Marilyn Apple Bogoroch.
An Act for the relief of Rowena Ann Christena Turner Rae.
An Act for the relief of Jozefa Majcher Wozniak.
An Act for the relief of Helen Semegen Boodanoff.
An Act for the relief of Mary Ann Munro Kelly.
An Act for the relief of Esther Maron Feldman.
An Act for the relief of Joan Alexander Jacobs Epstein.
An Act for the relief of Gertrude Mintz Dankoff.
An Act respecting The British Northwestern Fire Insurance Company.
An Act to incorporate The Perth Mutual Fire Insurance Company.
An Act respecting the Royal Canadian Academy of Arts.
An Act to amend the Victoria Day Act.
An Act to amend The Export and Import Permits Act.
An Act respecting Gulf Pulp and Paper Company.
An Act respecting the Board of Elders of the Canadian District of the Moravian Church in America.
An Act to amend the Prisons and Reformatories Act.
An Act to amend the Supreme Court Act.
An Act to amend the Interpretation Act.
An Act to incorporate The Hotel Mutual Insurance Company.
An Act to amend The Government Employees Compensation Act, 1947.
An Act respecting The New Westminster Harbour Commissioners.
An Act respecting the appointment of Auditors for National Railways.
An Act respecting The Canadian Forces.
An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1953.

The House of Commons withdrew.

The Right 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 2 at 8 p.m.

THE SENATE

Monday, June 2, 1952

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

Prayers and routine proceedings.

DIVORCE

EXTENSION OF TIME FOR RECEIVING PETITIONS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the two hundred and seventy-fourth report of the committee.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Divorce beg leave to make their two hundred and seventy-fourth report, as follows:

Your committee recommend that the time limited by Rule 138 for filing petitions for Bills of Divorce, which expired on the 9th of April, 1952, be extended to Thursday, May 29, 1952.

Hon. Mr. Aseltine: The object of this report is to allow one more petition to be presented at this session, and I am presenting that petition now. With leave of the Senate I move that this report be concurred in.

The motion was agreed to.

CRIMINAL CODE (RACE MEETINGS) BILL

FIRST READING

Hon. Mr. Robertson presented Bill V-10, an Act to amend the Criminal Code (Race Meetings).

The bill was read the first time.

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

Hon. Mr. Robertson: Honourable senators, the senator from Toronto (Hon. Mr. Hayden) is going to explain this bill, and with leave I would move that it be placed on the Order Paper for second reading tomorrow. I am not sure that he will be here in time to deal with it at tomorrow afternoon's sitting, but if he is I should like to have the bill proceeded with then.

The motion was agreed to, and it was ordered that the bill be set down for second reading tomorrow.

DIVORCE COMMITTEE

ADDITION TO PERSONNEL

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

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill I-10, an Act for the relief of Joseph Timothy O'Connor.

Bill J-10, an Act for the relief of Victoria Elias Abdelhay.

Bill K-10, an Act for the relief of Margaret Edith Grace Batt Trent.

Bill L-10, an Act for the relief of Pearl Abramovitch Hoffman.

Bill M-10, an Act for the relief of Lily Sperling Kofsky.

Bill N-10, an Act for the relief of Jean Isobel Taylor Cuffling.

Bill O-10, an Act for the relief of Charles William Ledger.

Bill P-10, an Act for the relief of Benjamin Gordon Church.

Bill Q-10, an Act for the relief of Laura Juliette Aubert Macdonald.

Bill R-10, an Act for the relief of Jean Lesly Macfarlane Cameron.

Bill S-10, an Act for the relief of Sarto Desnoyers.

Bill T-10, an Act for the relief of Jean Marc Duckett Audet.

Bill U-10, an Act for the relief of Eugene Cote.

The bills were read the first time, on division.

CUSTOMS TARIFF BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 209, an Act to amend the Customs Tariff.

He said: Honourable senators, this bill contains a list of miscellaneous items in respect of which tariff changes have been made, and new items which have been added. The changes are in accordance with the announcement made by the Minister of Finance in his budget speech.

Even if I were able to do so, I do not think much would be gained by entering into a detailed discussion of these items, so when the bill has been given second reading, I intend to move that it be referred to committee, where it can be studied in detail. Nevertheless, it may be of use to give a general outline of the contents, of the bill, and to comment generally on one or two of the items.

I have prepared myself for a question which is often asked by my free-trade col-

leagues on this side of the house, namely, what is the general effect of these tariff changes. The changes cover a wide variety of items: in some instances provision is made for withdrawal of the 99 per cent drawback. I would not make the sweeping statement that the changes will result in no increase in tariffs; in an effort to maintain the British Preference standing, some minor increases may creep in; but I am advised that in general the changes will result in no increases in tariff and that in many items there is a decrease.

I now refer specifically to the bill, which honourable senators will note is divided into three parts.

Part I of the schedule implements the recommendations of the Tariff Board on flat glass and synthetic resins. Both of these items were referred to the Tariff Board at one time or another for study, as a consequence of changing conditions and new processes and of manufacture in Canada, and on March 22, 1949, the Minister of Finance referred the whole synthetic resin and plastic schedule to the Tariff Board for investigation and report. In their report to the government the board make specific recommendations for the creation of new items, and classify them. I am advised that, apart from the qualification I have mentioned, no increases are recommended. My understanding is that, duties on synthetic resins previously ranged from the free list to a maximum, in some few cases, of 20 per cent, and that any changes now put forward are within that compass. This part of the schedule comprises eight items dealing with synthetic resins in various forms, several items covering cellulose plastics, two items relating to laminated and reinforced plastics, one having to do with regenerated cellulose, two covering protein plastics, and three relating to raw materials. The recommendations of the board are implemented in items numbered 901 to 923 inclusive. Preceding items cover ordinary window glass and sheet glass.

I would draw the attention of honourable senators to the following paragraph of the board's report on the subject of synthetic resins:

> The board does not, in this report, recommend rates of duty which will apply when goods not now made in Canada begin to be produced in this country. The board is aware that industry is concerned lest low or free rates on goods now manufactured in Canada may become bound against increase under international agreeement. In view of the rapidity with which this industry is developing and changing, the board recommends that those responsible for Canada's tariff policy bear this point in mind when undertaking international negotiations or, indeed, when new materials in this field are produced in quantity in Canada.

It is estimated that the total imports during 1951 of synthetic resins and plastics covered by the Tariff Board report were worth between $43,000,000 and $45,000,000, and that about 95 per cent of these came from the United States. Most of the products imported under the items referred to were exempt from customs duty, and it is estimated that the total duty collected on all imports amounted to 5 per cent *ad valorem*. So much for Part I.

Part II of the bill contains eighty-nine items, comprising twenty-seven new tariff items calling for tariff reductions; seven items on which existing rates have been reduced; forty-six items amended to provide for additional products, and nine which do not precisely fall in any of the other groups. I am advised that the twenty-seven new tariff items are taken from what are generally referred to as "basket" items, which cover a whole group of goods. Duties have been attached to these new items, but I understand that they are lower than they were in the corresponding "basket" items in which they had previously been placed. It is my understanding with respect to the forty-six items which have been amended to provide for additional products, that the department has acted upon certain of the many representations made to them. It has been found desirable to specifically enumerate these items.

Part III of the schedule—

Hon. Mr. Reid: Before the honourable senator proceeds with part III, I should like to ask him a question. I would refer him to tariff item 105c, "Olives, sulphured or in brine, not bottled". Then it says, "On and after July 1, 1953—10 per cent—17½ per cent—30 per cent". Is it not something new to set up a tariff that will not become operative until a date more than a year later?

Hon. Mr. Robertson: As I have said, I am not in a position to give more than a general outline of this measure. I am afraid my honourable friend will have to secure this information he desires in committee from the officials of the department.

Hon. Mr. Reid: I would also refer the leader to Tariff Item 436 which relates to locomotives and railway passenger, baggage and freight cars. If these are the property or under the control of railway companies in the United States, and are running upon any line or road crossing the frontier, they can be admitted free so long as Canadian locomotives and cars are admitted free under similar circumstances into the United States.

Then there is this proviso: "Provided, however, that if such locomotives and railway rolling stock are used temporarily . . . they shall not be entitled to free entry," and so on.

Hon. Mr. Robertson: I am afraid that is a question that I am not in a position to answer.

Part III of this schedule covers sixty-six items put into force by order in council in past years, and are now being made part of the Act. These items came into effect as follows: one in 1907, three in 1909, six in 1910, one in 1911, three in 1912, eleven during the years 1923 to 1939, nineteen during the years 1939 to 1949, and eighteen on January 1, 1951. Forty-two of these sixty-six items were reductions put into effect at times when various trade agreements were negotiated. Those reductions were not ratified by parliament—that is the schedule was not changed—but were brought into effect by order in council, to conform with various trade agreements and have been in effect ever since. They are now being included in the Act.

That is my general explanation, honourable senators. I had hoped to be able to make a more complete presentation to the house, but the mass of information is so complex that I am sure I would not have contributed very much to a clearer understanding of the bill had I attempted to present details of the changes. However, I assure honourable members that when the bill comes before committee they will be able to obtain complete information on any item from departmental officials who will be present.

Hon. Thomas Vien: Honourable senators, the honourable the Minister (Hon. Mr. Robertson) has explained that much of this new detail in the Act is only a reclassification, whereby various goods which up to now have been included in a class are henceforth to appear as specific items. Would the minister have ready for the information of honourable members, when the bill reaches committee, a tabulation showing the items on which rates are reduced, those on which they are increased and those that remain unchanged? Without such detailed information it would be difficult to follow the effect of the reclassification as set up in the schedule.

Hon. Mr. Robertson: I shall endeavour to have as much information as possible available for honourable members in committee. Twenty-seven of the tariff items in Part II are new items taken out of what I call, for want of a better word, the "basket." On none of these items were the duties increased; they are either less than or the same as the "basket" duty. The other items, under Part I, about which I am not too sure, are a result of recommendations made by the Tariff Board with regard to synthetic resins, which constitute a more or less new classification. The old classification was—I would not say out of date, but out of line with new manufacturing conditions. I shall undertake to get as much information as possible along the line suggested by my honourable friend.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

NATIONAL LIBRARY BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill 245, an Act respecting the establishment of a National Library.

He said: Honourable senators, this bill is very similar to the National Gallery Bill, which I was privileged to explain to the Senate last session, and which received the favourable consideration of this house. Both the National Gallery and the National Library look forward to entering into premises of their own in the near future, but no provision has been made for expenditures on capital account towards this end. In this day of priorities it is interesting to note that the Gallery and the Library are generally understood to have a high priority rating, and sponsors of these long-awaited institutions expect and hope that suitable premises may soon be made available.

This bill, like the National Gallery Bill passed last year, would set up an organization for future operation. Provision is made for the establishment of a board and an advisory council. The bill also recommends the setting up of special accounts in the Consolidated Revenue Fund for the purpose of taking care of the costs of operation.

The general approach to the development of the National Library is also similar in spirit to the approach to the National Gallery. From the financial standpoint the government, over the past six or seven years, has developed a pattern of voting money which might be said to be directed towards the advancement of the cultural development of Canada. Funds have been appropriated each year for credit to the accounts of the Federal District Commission, the National Capital Planning Commission and the National Gallery; and now there will be the National Library. Provision has been made as far

as possible for the current needs of these organizations, awaiting the time when they will assume larger proportions in a physical sense than they do today. When the time comes for the actual erection of the National Library building, or the National Art Gallery, a special item will appear in the annual estimates to cover the necessary expenditure, and no doubt parliament will further discuss the matter. Meanwhile, this bill deals with the outline of establishment of a so-called national library.

It is hardly necessary for me to define the meaning of "national library" to this house. The need for such an institution has been emphasized continuously and with an increasing degree of unanimity, over the past twenty years. The Canadian Library Association, which embraces the principal library centres throughout Canada, has emphasized the importance of establishing a national library in Canada as soon as possible. The Joint Committee on the Library of Parliament has from time to time made similar representations. One should not overlook the recent recommendations of the Royal Commission on National Development of the Arts, Letters and Sciences. These bodies reflect the demands which have been heard during the past years. This bill received most generous attention in the other place, and was passed unanimously.

I commend to honourable senators a reading of the report of the Advisory Committee on the National Library. It contains in briefest outline what is set out in this bill. In the words of the Prime Minister, when he spoke in the other house, a national library should be the most comprehensive library in the world relating to its own country. In reaching such an objective, Canada's National Library will co-operate with other government libraries and general library institutions throughout Canada. The National Library will be required to house books and documents of its own; it will be a comprehensive office of reference for all kinds of information about Canada; it will become a Canadian bibliographic centre, with a national catalogue recording an index of books, papers and documents in all parts of Canada. The work of cataloguing and establishing a bibliographic centre has already begun. It will in time serve not only the government and members of parliament in Ottawa, but the reading public, wherever public libraries and their interested subscribers may be located.

We have in Ottawa the Library of Parliament, the Public Archives and the special libraries of the various departments of government. In these repositories for books and papers there is much crowding and considerable need for sorting and reclassification. The Parliamentary Library, as almost everyone knows, is very much overcrowded by reason of having to care for a vast stock of old, rare and very valuable books and papers, which should be housed in some safer place. The National Library, when built, will relieve the Parliamentary Library of that responsibility.

Although the Parliamentary Library is perhaps generally regarded as Canada's national library, its cramped quarters and added responsibilities have prevented it from providing students and readers with adequate accommodation in the form of nooks and rooms in which to pursue studies. The removal of the excess material from the Parliamentary Library will enable it to give much more useful service to members of parliament.

The Public Archives finds itself in much the same unhappy position as the Library of Parliament. One of the first things to be done in Ottawa is to co-ordinate and harmonize the local units, so that the National Library will be able to give service to the Archives, and that branch in turn will be able to operate more efficiently.

For the past two years the nucleus of a National Library organization has taken form under the direction of Dr. Kaye Lamb, the Public Archivist, who as a result of this bill will also become our first National Librarian. Some ten to twelve trained personnel under his direction have set up what has been called a bibliographic centre, and have also compiled a catalogue of some two million books which are located in the various government libraries in Ottawa. This work will continue until all the reference material available in Canadian libraries has been indexed and made convenient for purposes of reference.

Hon. Mr. Aseltine: How long will that take?

Hon. Mr. Lambert: The work is now under way. As I have said, two years have been spent on it here in Ottawa; and the estimate which appears in this report is that it will take five years to complete a catalogue which will be representative of the available Canadiana in this country.

Hon. Mr. Aseltine: Does that mean that it will be five years before we get started?

Hon. Mr. Lambert: I have tried to explain that we have already started. We have spent two years in getting started, but the job is a vast one, and the equipment to deal with it is rather limited; so, as was stated in the other house and by the Advisory Committee on the National Library, it will take five years to produce an adequate catalogue

and index of available books of reference. As a matter of fact, the work of the National Library is actually in operation; but it is preparatory, awaiting the day when a suitable building can be erected to house these central activities which, as I have indicated, will extend from one end of this country to the other. If a student, a group of students or a library is interested in securing a work of reference from the National Library, that publication will be sent to the library in Vancouver, Calgary, or elsewhere, where it is wanted, and there it will be made available. Likewise, if some historical work or document in the possession of any of these outlying libraries is required here for attention or study, arrangements will be made to have it transferred on loan.

Another feature of the work of the library is microfilming, whereby rare and valuable books can be made easily accessible wherever they are required by students.

As I have said, all this awaits the day when suitable premises can be provided, and I do not think it is too much to say at this time that, until that day arrives, our much vaunted Canadianism will be sorely lacking in one of its chief supports and one of its main sources of inspiration.

I have been very much interested in this subject for a long time. If I go to Washington, or am fortunate enough to travel to London, I see the wonders of the Congressional Library or the British Museum; I reflect upon Canada's great position in the world—the third largest trading nation, the greatest supplier of aluminum and of pulp and paper—and am tempted to think that, unless an appraoch is made to the provision here of a similar institution, we may fairly be charged with that malady which, when it affects adolescents, is described as arrested development.

That is about all I need to say in recommending the passing of this bill.

Hon. Mr. Roebuck: Could the honourable senator tell us where it is proposed to place the library, and about how much it will cost?

Hon. Mr. Lambert: I know of no definite decision as to the location of the building; but in so far as the Federal District Commission and Mr. Greber are concerned, not to mention those who are interested in the library itself an area on the river bank at the end of Bank street, just past the old Supreme Court Building, is considered to be most desirable. One reason is that this site is on solid rock, and would permit of deep excavations to provide for safe and secure stockrooms and other accommodation.

Hon. Mr. Roebuck: And fireproof.

Mr. Lambert: Yes, protected from fire or bombs or other risks. So far there has been no other indication as to a site, and I suppose that when the time comes to pass an estimate to provide for this building, it will probably be located there.

Hon. Mr. Roebuck: I suppose there is as yet no estimate of the cost?

Hon. Mr. Lambert: No estimate of the cost at all.

Hon. Mr. Reid: Who will have the final say as to the site of the library?

Hon. Mr. Lambert: I think my honourable friend and the rest of us who are members of parliament will have the final say in committee, but the recommendations of the Federal District Commission or the National City Planning Commission will probably go a long way towards influencing our opinion.

Hon. Mr. Horner: It will likely be settled by that gentleman from Paris!

Hon. Mr. Vien: Honourable senators, I think we should all be extremely gratified that this measure has been introduced.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Vien: As the honourable mover has so aptly said, it is much overdue. If you visit the capital of any civilized state—not merely the old countries of Europe, where such institutions were established centuries ago, but Mexico, Brazil, Argentine, Uruguay and other Latin-American republics—you will find that among its most elaborate monuments is the public library. These countries take great pride in the architectural, cultural and educational value of their national libraries. I recall that when I was Speaker of the Senate, and Co-Chairman of the Joint Committee on the Library of Parliament, our committee received delegations from all parts of Canada urging the building of a National Library. In 1943 or 1944 I was largely instrumental in having the Senate approve a resolution, later passed by the House of Commons, strongly requesting the government to establish a national library.

Canada was at war from 1939 to 1945. The years following have not always been peaceful ones, and the world is still confronted by grave problems. In view of these circumstances I do not think we should expect the legislation before us to specify when this National Library will be constructed. I think we are proceeding in the right order. The National Library organization set up two years ago under the direction of Dr. Lamb has already done splendid work. For instance, it has greatly modernized the cataloguing of the Library of Parliament. Honourable senators would find it most

interesting to visit the Archives and interview Dr. Lamb, and find out for themselves just what has been accomplished in this direction. We have to plan our work before working our plan.

An honourable senator from the other side of the house has asked when this work will be completed. I can tell my honourable friend that while the work has actually begun it will never really be finished. The Library of Congress and the British Museum were both founded more than a hundred years ago, but their work is still proceeding. The work of our National Library will never be completed as long as the human mind is active and productive. Such institutions are matters of pride in the Old World. It would take a person the better part of a week to intelligently go through the Bibliotheque Nationale in Paris, and it would take several days to make a worth-while visit to the British Museum in London.

Hon. Mr. Paterson: It would take at least a year.

Hon. Mr. Vien: Yes, even a year, but a week or two would enable you to get a fair idea of the importance of the museum. You could certainly spend a year in the Library of Congress without completing your work. A National Library will certainly be a source of pride to the people of Canada, and its research facilities will be of immense advantage to all trades and professions. As the honourable senator from Ottawa (Hon. Mr. Lambert) has pointed out, it will be a centre of reference not only for Ottawa but for every part of Canada. We shall be able to accumulate books that cannot be duplicated, and provincial libraries will be able to borrow them upon guaranteeing their return. I wonder if honourable senators know that the storage vaults right under this very chamber contain books that were written by hand, prior to the invention of the printing press? These books, dating back to the year 1414, are still in their original pigskin bindings. They are priceless, but they cannot be properly exhibited because of inadequate protective facilities. When ambassadors and notables from other countries are shown these books, they express amazement that we should own these valuable documents. Thousands of other volumes are stored in the vaults of the Library of Parliament, and cannot be shown to the public because of lack of space in our libraries. These are purely museum pieces, but there are, besides, a great number of books of reference that would assist students in every trade and profession and be extremely helpful to persons carrying on research of inestimable value to Canada at large.

Therefore I say that the government is indeed well advised in taking these first steps towards the creation of a National Library, an institution of which we have stood in need for years and decades. When that institution becomes a reality, with a properly equipped building of its own, it will, I am sure, be a source of pride and usefulness, not to this capital city alone, but to the whole country.

Hon. Arthur W. Roebuck: Honourable senators, I should like to join with the senator from De Lorimier (Hon. Mr. Vien) in congratulating the senator from Ottawa (Hon. Mr. Lambert) upon his speech in support of this bill, and to commend all those who have been working towards the establishment of a National Library. As the senator from De Lorimier said, the enterprise has already been delayed too long.

The senator from Ottawa spoke of the Library of Congress at Washington. Fairly recently I had the pleasure and advantage of going through that library, under the guidance of one of the head librarians, and to say that I was impressed is putting it very mildly. It has miles upon miles of shelves, containing millions upon millions of books. There are, if I am not mistaken, some forty reading rooms, and senators and members of the House of Representatives are given a service far greater than it is possible to obtain from our Library of Parliament.

One of the reasons why I am speaking on this subject just now is to recall what I was told in the library at Washington about the assistance given by the librarian and his staff to senators and representatives in the preparation of material for their debates. There is a committee of highly skilled and widely informed librarians and writers to whom any member of the Congress may apply for consultation and advice, and upon request a memorandum giving both sides of any question will be furnished him promptly.

A similar service here would be very valuable to us. I have found the members of the staff of the Library of Parliament very courteous and helpful, but for the most part they are getters of books and putters-away of books. Some of them have a very extensive knowledge of the books under their hands, but none are assigned to the specially helpful purposes which I found so prominent in the library at Washington of serving as consultants, advisers and preparers of material. We could very easily set up such a committee, but to do so we would need more space.

Our library is a very spectactular one. It has a grand history behind it, for it was saved from the fire of 1916, and its magnificent

dome, higher than Niagara Falls, is very impressive to visiting tourists. But as a library it is away behind the times. It is not fireproof, it is not divided into chambers, it does not lend itself to any classification of topic and subject, as a modern building would. It should be superannuated and kept as a prized exhibit.

Hon. Mr. Paterson: Can the honourable senator tell us how many books we have in that library?

Hon. Mr. Roebuck: Yes. More than half a million books are right on exhibit in our present library; you can stand there and feel yourself in the presence of at least that number of volumes. And that is no small accumulation. We need a new Library of Parliament, and we need it now, quite aside from the National Library. I do not say that to discourage in any way the building of a National Library; I am merely pointing out that our present Library of Parliament is by no means adequate to the need. We require consulting rooms and reading rooms. We now have one big reading room, which in size is more like a barn than anything else; we lack comfortable and quiet reading rooms to which members of either house may retire for study. The only space available for reading purposes, aside from the big room itself, is in a few alcoves.

I feel sure that nobody would support my remarks more enthusiastically than the present librarians themselves, who must realize the inadequacy of their equipment, except for books, and the need for something much better. I suppose this is a matter for the attention of the committee, and I fancy it is badly handicapped because of the lack of both space and money. If any words of mine should encourage the committee to be more insistent on the improving of our Library of Parliament, I shall feel that my words have been well chosen.

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

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

Hon. Mr. Lambert: Next sitting.

CANADA ELECTIONS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 277, an Act to amend the Canada Elections Act.

He said: Honourable senators, this bill seeks a revision of the salary of the Chief Electoral Officer. The present Act provides that he "be paid a salary of not less than $8,000, nor more than $10,000, per annum, to be fixed by order of the Governor in Council." The bill fixes the salary at $12,000, per annum, and relieves the Governor in Council of discretionary powers which he now has under the present provision. As honourable senators perhaps know, the bill as introduced in the other house extended the range from $8,000 to $12,000, but still left the definite amount of remuneration to be fixed by the Governor in Council. However, an amendment was offered to eliminate the discretionary power of the Governor in Council and fix the salary definitely at $12,000, and because that amendment was accepted we have the bill in its present form.

I presume that the increase in salary is to provide better compensation for a new appointee, who otherwise might not be appointed at the maximum. It seems reasonable that the position of Chief Electoral Officer should be established by parliament, rather than left to the discretion of the governor in council. In any event, the amendment was made and the government agreed to it.

Hon. Mr. Roebuck: May I ask the honourable leader why the bill fixes the retirement age at 65 years? A man of 65 is just in his prime for an office with the responsibility of this one. Why should he not be allowed to continue in office until at least 70?

Hon. Mr. Robertson: Subject to correction, I may say that this office comes under the Civil Service Superannuation Act, and is automatically subject to retirement at 65, unless his term of office is specifically extended by the governor in council.

Hon. Mr. Roebuck: Then there is no need for that provision in the bill.

Hon. Mr. Farris: Does the bill provide that an extension may be given in this case?

Hon. Mr. Roebuck: No; it is compulsory retirement at 65 years.

Hon. Mr. Vien: Can he be excluded from application for extension as provided under the Civil Service Superannuation Act?

Hon. Mr. Roebuck: This bill says that he shall be compulsorily retired at 65 years.

Hon. Mr. Vien: If retirement is compulsory, that is final; but the highest civil servants can, under the Act, have their retirement deferred, year by year, until they reach the age of 70. The same provision should apply here.

Hon. Mr. Roebuck: Judges do not retire at 65 years.

Hon. Mr. Reid: I rise to support the honourable senator from Toronto-Trinity (Hon. Mr.

Roebuck). I have advocated both publicly and privately that labour leaders are directing the workers up the wrong path in urging retirement benefits at an early age. It is a well known fact that insurance companies have found that a man who retires at 65, with his full faculties, does not live longer than three and a half years. I was pleased to note by an article published the other day that one of the great labour leaders in this country has come out boldly and frankly against retirement at 65, and I have before me a list of seven prominent labour leaders who are all 65 or older.

I call the attention of honourable senators to this particular subject because we are now going into social welfare at great lengths; we are retiring people and giving them old age assistance benefits at 65 and universal pension benefits at 70 years. At the same time we are keeping our boys and girls in schools and colleges until they are 18 or 20 years of age. This means that the period of productivity of our nation is steadily being reduced. It must be remembered that our prosperity depends on production from man's labour.

It should be recognized that most of the agitation for retirement at 65 comes from the young; they are apt to think that someone is standing in their way of progress, and they are in a hurry to get ahead. There are in this country many hundreds of thousands of people who could still be productive for years to come. The post office recently retired a number of its employees. I do not know how many of them would have preferred to remain on their jobs until 70 or 75, but I speak against the general policy of compulsory retirement at 65. I therefore ask, why this bill contains provision for compulsory retirement at that age.

Hon. Mr. Robertson: I may say to my honourable friend that the bill does not provide anything new in that respect. The proposed amendment has only to do with salary.

Hon. Mr. Reid: As I read the bill it requires the particular officer to retire at 65.

Hon. Mr. Robertson: Yes; but I am drawing to the attention of my friend the fact that that provision has been in the Act all along.

Hon. Mr. Farris: That in itself does not justify it.

Hon. Mr. Robertson: I am not saying that it does.

Hon. Mr. Reid: Mr. A. R. Mosher, president of the Canadian Congress of Labour, said this:

> There are many occupations, however, where the passage of years does not normally affect the occupant adversely, but, on the contrary, adds to his proficiency because of his knowledge, stability, and maturity which years of study and experience alone can provide.

There are no more loyal people than those who, while still mentally and physically healthy, have not been forced to retire. I well remember that the happiest men I ever met were those who during the war had been called back from retirement to places where their services were required; and they were most bitter when at the conclusion of hostilities they were dismissed and again had to return to retirement. I would of course allow those who are physically or mentally unfit to retire from their labour at an appropriate age; but those who are just as keen as they have ever been in former years should be allowed to continue to do useful work just as long as they want to. In this way they would be happier and healthier, and the whole country would be the better for it.

Hon. Mr. Vien: Is it the intention of the house to send this bill to committee?

Hon. Mr. Robertson: Certainly, if that is desirable.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Honourable senators, in view of the remarks of my honourable friend, I move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Vien: I now advise the honourable leader that when the bill is before the committee I shall try to have the words "compulsorily retired" deleted.

Hon. Mr. Roebuck: And I shall endeavour to have "sixty-five years" changed to "seventy years".

The motion was agreed to.

TARIFF BOARD BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 276, an Act to amend the Tariff Board Act.

He said: This bill honourable senators, seeks the repeal of subsection (4) of section 4 of the Tariff Board Act, by which the Governor in Council may empower the Tariff Board to conduct inquiries under the provisions of the Combines Investigation Act. By the Dominion Trade and Industry Commission Act, 1935, the members of the Tariff Board were designated members of the Dominion Trade and

Industry Commission, and by section 13 of the same Act the commission was charged with the administration of the Combines Investigation Act. Similarly, under subsection (4) of section 4 of the Tariff Board Act, the same powers and duties in respect of the Combines Investigation Act were designated. In 1937, when the Combines Investigation Act was being revised by parliament, those sections in the Dominion Trade and Industry Commission Act entitled "Administration of the Combines Investigation Act" were repealed, but the consequential amendment of the Tariff Board Act was not made. Such amendment is now effected by this bill, which repeals the relevant section of the Tariff Board Act.

Section 2 of the bill would provide for the vice-chairman of the board a salary of $12,000 in lieu of the present annual salary of $10,000; it would provide for the third member of the board a salary of $11,000 in lieu of the present annual salary of $10,000, and would delete from the Act the statutory fixation of salary for the secretary of the board.

In this connection I might add that the salaries of the vice-chairman and third member of the Tariff Board were established in 1931 at $10,000 each per annum. During the intervening twenty-one years, salaries of comparable positions in the government service have been adjusted from time to time and the purpose of the bill is to grant to the vice-chairman and the third member the increases indicated. With regard to the position of secretary of the board, this office since 1948 has been a classified position under the Civil Service Act, and the opportunity is taken of this revision of the Tariff Board Act to delete the statutory provision.

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

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

Hon. Mr. Robertson: As, apparently, there is no requirement that it be sent to a committee, I propose that it be read the third time tomorrow.

CANADIAN NATIONAL RAILWAY (TERRACE TO KITIMAT) BILL

THIRD READING—DEBATE ADJOURNED

Hon. Mr. Robertson moved the third reading of Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia.

Hon. J. W. Stambaugh: Honourable senators, I beg to move the following amendment:

That the bill be not now read the third time, but that it be amended by deleting clause 9 thereof.

The section in question is as follows:

The Company is not required to fence the right of way of the railway line and is not liable in damages by reason only of the absence of fencing.

My objection to this provision is that, in my opinion, no person or corporation should be relieved by statute of liability for non-performance of a duty. Some may say that I am "stretching the point" by inferring that it is the duty of the railway company to build a fence along this proposed line at the present time. I doubt whether it is necessary that it be built immediately, but I think that in future, possibly in the near future, a fence will be necessary. I am aware that when the bill was under consideration in committee the clause was passed; but many other matters came up and took considerable time. Honourable senators who are members of the committee will remember that for several hours we discussed salmon protection and salmon spawning and the rights of Indians, and for this reason I believe the section in question did not receive the attention which its importance deserved.

The only reason which has been given for inserting this provision is that it is contained in the contract for the building of the Lynn Lake railway. I do not think that there is or can be any analogy between the country served by that railroad and the district which is affected by this bill. The Lynn Lake area is barren and rocky, and the necessity for building a fence may be doubled. But probably all the valley land in British Columbia south of the Old Grand Trunk Pacific Railway line will be used at some time or other for agricultural purposes and for the running of stock. Already we find large herds of cattle and a certain amount of agricultural production in some of these localities.

As I have said, I do not suggest that the railway should be required to fence its line at this time, but the requirement to fence should not be omitted. Today, several hundred miles of the main line are still unfenced. If they apply to the Board of Transport Commissioners they may not have to build a fence, but the Board does not relieve them of any liability that might result. I object to relieving the railway of liability by statute.

A farmer whose stock is run over by a train finds it difficult to collect damages. I have had some experience in this. In the district where I lived some twenty-five years ago, a farmer had five horses run over by a train. In those days, as now, the railway company was compelled by law to build an adequate fence to keep out stock, and to keep its cattle-guards in a state of repair so that the farmers' stock could not climb over them.

In any event, in this case the railway company refused to compensate the farmer for the loss of his cattle, and the farmer sued the company. After battling the case in various courts for some three years, the farmer was finally awarded $650 damages, but the litigation had cost him over $1,000. This cured all the farmers, including myself, and since that time nobody in that district has sued the railway company for similar damages. I once had three horses run over by a train, and the company refused to pay my claim, but I did not bother to go to court because I knew it would cost me more than I could hope to get.

These are some of the reasons why I maintain that we should not relieve the railway company of liability. We are told that whenever timberland is cleared it makes good farming land, and so in the not too distant future many farmers will be settling in the area around Terrace, and it will be necessary to fence this property off.

Hon. Mr. Roebuck: Does not the railway run to Terrace now, passing through several places?

Hon. Mr. Stambaugh: You are speaking of this Kitimat line?

Hon. Mr. Roebuck: The line that is being relieved of the necessity of fencing under this bill.

Hon. Mr. Stambaugh: As I understand it, there is no settled area except right at this end of the line.

Hon. Mr. Roebuck: Is that a town?

Hon. Mr. Stambaugh: It will be a town of some 3,000 when the Aluminum plant is operating.

Hon. Mr. Roebuck: Well, it ought to be fenced off there.

Hon. Mr. Aseltine: Is there not a settlement at Terrace?

Hon. Mr. Stambaugh: Possibly it is fenced off around Terrace, but I was speaking of the general line itself. I do not doubt that there are a few miles right around Terrace that are already settled.

Hon. Mr. Roebuck: Can you tell us what the law now is? If this clause is struck out, is there a provision in the Railway Act which will place a burden on the railway company to build a fence?

Hon. Mr. Vien: There is a burden on the railway companies to fence their right of way wherever necessary.

Hon. Mr. Roebuck: That is in the Railway Act?

Hon. Mr. Vien: Yes. A railway company must apply to the Board of Transport Commissioners to be exempted from fencing its right of way. On the other hand, any person who thinks a railway company should fence its right of way can apply to the board requesting an order to this effect. It may prove serious to a farmer if the railway right of way is not fenced off when it is adjacent to his land. On the other hand, I do not think a railway company should be compelled to build a fence where one is not necessary. For instance, it may not be necessary to put up a fence for some thirty or forty years; but after timber land is opened up, when farmers settle in a district it is extremely important to them that the railway right of way be fenced off; otherwise their stock may be killed or wander off down the tracks. I believe it is important that the railways build fences along their right of way wherever land is settled.

Hon. Mr. Roebuck: That seems obvious.

Hon. Mr. Vien: Under the Railway Act the railway companies are bound to fence their right of way wherever it is necessary.

Hon. Mr. Horner: May I inquire whether this bill provides that the railway company shall not be liable for damages if it does not put up a fence? As I understand it, a railway company, if it has not erected a fence, is responsible if one of its trains causes damage to a farmer's stock.

Hon. Mr. Aseltine: That is right.

Hon. Mr. Vien: If a railway company does not fence its right of way, and causes damage to cattle, it is responsible. If this section 9 is enacted, not only will the railway company be free from its liability, but it may sue a farmer if any of its equipment is damaged as a result of collision with the farmer's stock.

Hon. Mr. Horner: If that is so, I would certainly endorse the amendment. I know that country, and there is no comparison between it and the area through which the Sherridon-Lynn Lake line runs. If the railway company is relieved of all responsibility, one can well imagine that it may not be too particular about causing damage. On the other hand, if it is liable it might think twice about putting up a fence.

Hon. Mr. Vien: Even if the railway company is responsible, the non-taxable costs to a farmer fighting the case in the courts might exceed the amount of his claim.

Hon. Mr. MacLennan: Under the common law a railway company can be held liable for damages, if proved guilty of negligence.

However, a farmer has a fat chance of proving negligence against a railway.

Hon. Mr. Vien: Section 9 of the bill provides that the Canadian National Railway Company "is not liable in damages by reason only of the absence of fencing." That would prevent anyone from making a claim against the railway company for damages caused only by the absence of fencing.

Hon. Mr. MacLennan: The common law would still apply.

Hon. Mr. Robertson: Honourable senators, I am advised that the senator from Bruce (Hon. Mr. Stambaugh) has not concluded his remarks yet.

Hon. Mr. Stambaugh: I appreciate greatly the help I have received from honourable senators, and I wish just to make one further brief comment. If we do relieve the railway company of responsibility, as provided by section 9, the Board of Transport Commissioners, even if convinced by some applicant that fencing was required, would have no power to compel the company to put up a fence. On the other hand, if we strike out this section, the board would be free to order, or not to order, the building of a fence, depending upon what in its judgment is the proper order to make in the circumstances. One of the reasons why we have the board is that it may use its discretion in a case of this kind. If we allow the section to remain in the bill and a farmer's cow happens to get out on the right of way and be struck by a speeder, the farmer will probably be liable for damages for allowing his cow to run loose.

Hon. T. A. Crerar: Honourable senators, I find myself very much in agreement with the senator from Bruce (Hon. Mr. Stambaugh). Section 9 unquestionably relieves the railway company from any obligation to fence this line from Terrace to Kitimat, and in addition relieves it of any obligation to pay damages to someone who in future happens to suffer injury by virtue of the fact that the right of way was not fenced. I understand from the honourable gentleman that quite possibly, in years not very far distant, some agricultural country may be opened up along this line by farmers who raise stock. As stated by the senator from De Lorimier (Hon. Mr. Vien), the Railway Act requires a railway company to fence its right of way. Why should we relieve the Canadian National Railway Company of that obligation over the line from Terrace to Kitimat for all time to come? Why not, as suggested by the senator from Bruce (Hon. Mr. Stambaugh), leave the discretion with the Board of Transport Commissioners?

A provision similar to section 9 was, as I recall, placed in the bill that we passed a year ago authorizing the Canadian National to build a line from Sherridon to Lynn Lake, but the country through which that line runs could never by any stretch of the imagination be regarded as agricultural country. Consequently, in order to make doubly sure that the railway company would never be called upon to go to the expense of fencing, a special exemption from fencing was provided in the law. But the country that we are concerned with in the bill before us appears to be entirely different, and it does seem to me that section 9 would tend to establish a precedent against which we should be careful to guard. I do not think the railway company has any moral, legal or other right to ask for this exemption, and, so far as I am concerned, I intend to support the amendment of the senator from Bruce.

Hon. Mr. Hugessen: Honourable senators, I was chairman of the Standing Committee on Transport and Communications which considered this bill. If I recall rightly, section 9 was voted upon, but the bill's other provisions and general purport were regarded as of so much more importance that there was relatively little discussion of this section. I can only say to the house that the reasons which were urged in support of the section were substantially these. First of all, we were told that the section was, as just stated by the senator from Churchill (Hon. Mr. Crerar), similar to one in the bill passed last year authorizing construction of the line from Sherridon to Lynn Lake. It was stated that the territory from Terrace to Kitimat is as barren and uninhabitated as the territory from Sherridon to Lynn Lake, and that there was no more likelihood of settlement along one line than the other. It was also said that a very large part of the line from Terrace to Kitimat was being constructed through rocky cuts and along the sides of rocky rivers, where there was no possibility of settlement in any event.

I must say that my understanding of what we were told in committee about the present legal position differed a little from that of my honourable friend from De Lorimier (Hon. Mr. Vien). We were advised that the reason why this section was desired in the bill was that the Railway Act requires railway companies to fence their rights of way, and that unless we granted this exemption the Canadian National would have to provide fencing, useless and unnecessary though it might be, along this right of way, and that the cost would be—I forget the exact figure—in excess of $100,000.

I am not arguing the case. I am simply putting to the house the arguments that were advanced to us in committee.

We were also presented with the argument which was made a few moments ago by the senator from Margaree Forks (Hon. Mr. MacLennan). That is, we were told that if we approved of this section 9, the railway company would not be relieved of its liability at common law for damages in the event that negligence could be proved against the company.

Hon. Mr. Roebuck: The company would be negligent, for other than non-fencing.

Hon. Mr. Hugessen: Yes, for other than non-fencing.

Hon. Mr. Roebuck: It would be open to proof, for instance, that the trains were travelling at an excessive rate of speed, or that a proper lookout was not being kept.

Hon. Mr. Hugessen: Yes; something of that kind.

Hon. Mr. Vien: There could scarcely be any damage result, other than from the absence of fencing. If an animal goes on to the right of the way of the railway and is killed, there is no liability under common law if the obligation is removed by statute.

Hon. Mr. Hugessen: I do not know that I would agree with that statement.

Hon. Mr. Aseltine: I do not agree with it.

Hon. Mr. Hugessen: If, for instance, a railway company knew that animals were in the habit of crossing at a certain point, and it deliberately drove its trains at an excessive speed at that point without due caution, I would think that under the common law the company would be liable for damages.

The interesting point was brought to our attention that sometimes the obligation to fence, as contained in the Railway Act, offers more protection to the railway company than to the farmer, for if a farmer sues as a result of his cattle straying on to the railway and being killed, and the railway company can prove that the fence was in good order, there is no liability for damages.

Hon. Mr. Aseltine: I do not agree with that statement. I have sued railway companies in similar circumstances and got damages.

Hon. Mr. Horner: Where the fence was in good order?

Hon. Mr. Aseltine: The company could not prove how the cattle got on the track.

Hon. Mr. Hugessen: I am simply reporting what we were told in committee. In the light of the discussion this evening, it might be well to refer the bill back to the committee for consideration of section 9.

Hon. Mr. Roebuck: Strike it out.

Hon. Mr. Aseltine: I think we should have the Railway Act before us.

Hon. Mr. Hugessen: I wanted to explain to the house the reason why, in my judgment, the committee took the stand it did in adopting section 9 without the profound consideration that perhaps has been given to it this evening.

Hon. Mr. Vien: I am sure the chairman of the committee (Hon. Mr. Hugessen) will admit that the practice of railway companies to leave their right of way unfenced over vast uninhabited spaces is adequate evidence that fencing is not made compulsory by the Railway Act. If there were an obligation on the company to fence under any condition, it would have to fence in all areas; but, as I say, there are vast stretches of track which are not fenced.

When a private citizen desires the erection of a fence along a railway track, he may make application to the board, and an order issues compelling the railway to erect a fence. I have known of cases where railway tracks were not protected for decades, and all at once a settler made application to have the railway erect fences, or perhaps dig ditches, along its right of way. The Board then sent out an engineer, who reported back whether such a fence as was asked for was desirable, or whether ditches should be dug.

Hon. Mr. Hugessen: I would not pretend to have anything like the knowledge of the workings of the Railway Act that my honourable friend has had by reason of his having been Chairman of the Board of Transport Commissioners for a number of years. However, we were told in the committee that in a number of instances the board has exempted a railway company from the positive requirement to fence in areas where there is no settlement.

Hon. Mr. Vien: That is quite right.

Hon. Mr. Hugessen: Regardless of the statutory obligation and of the order of the board, it is my understanding that if the railway company simply takes the chance in the matter of the absence of fencing, and damage occurs, the company is liable. Apparently the statutory obligation to fence is there in any event.

Hon. Mr. Robertson: Honourable senators, I am not in a position to make a statement on behalf of the government, but in view of the discussion tonight I would be agreeable to a reference back to the committee of the bill and the proposed amendment.

Hon. Mr. Roebuck: Why not carry the amendment, and be done with it?

Hon. Mr. Robertson: In fairness, I would be prepared to adjourn the debate until I have some information to give to the house.

Hon. Mr. Golding: Send the bill back to committee.

The Hon. the Speaker: Honourable senators, two methods of procedure are open to the house: first, the honourable senator from Bruce (Hon. Mr. Stambaugh) may withdraw his motion in amendment; or, second, the house may agree to a motion for the adjournment of the debate.

Hon. Mr. Stambaugh: Honourable senators, I would prefer to have the debate adjourned until tomorrow. I intend to go West tomorrow night, and I should like to be here when the matter is further considered. However, there are many honourable senators who appear to support the position I have taken.

Hon. Mr. Robertson: To facilitate the matter for my honourable friend, I now move the adjournment of the debate, and if what I have to say to the house tomorrow is not satisfactory, the bill may then be referred back to the Standing Committee on Transport and Communications.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 3, 1952

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

Prayers and routine proceedings.

AERONAUTICS BILL

FIRST READING

A message was received from the House of Commons with Bill 194, an Act to amend the Aeronautics Act.

The bill was read the first time.

EMERGENCY GOLD MINING ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 242, an Act to amend the Emergency Gold Mining Assistance Act.

The bill was read the first time.

CANADA-FRANCE INCOME TAX CONVENTION BILL

FIRST READING

A message was received from the House of Commons with Bill 289, an Act to amend the Canada-France Income Tax Convention Act, 1951.

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill W-10, an Act for the relief of Jean Baptiste Armand Michaud.

Bill X-10, an Act for the relief of Anna Lapinska Cholewicki.

Bill Y-10, an Act for the relief of Alexander William Hyndman.

Bill Z-10, an Act for the relief of Vivian Mary Dickson Stewart.

Bill A-11, an Act for the relief of Stanley Baker Smith.

Bill B-11, an Act for the relief of Rebekah Ellinor Conley Burman.

Bill C-11, an Act for the relief of Allan Gowans.

The bills were read the first time.

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

Hon. Mr. Aseltine: Next sitting.

EXCISE TAX BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 206, an Act to amend the Excise Tax Act.

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

EXCISE BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 207, an Act to amend the Excise Act, 1934.

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

NATIONAL LIBRARY BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 245, an Act respecting the establishment of a National Library.

Hon. Cairine R. Wilson: Honourable senators, before this bill is read the third time, as a member of the Joint Committee on the Library of Parliament, I should like to say a few words.

Sometimes in our eagerness for progress we are apt to forget those who have served us faithfully over many years. I noticed in reading the speeches of last night that little, if any, reference was made to the steady work carried on in the Library of Parliament by Mr. Hardy and his associates. We all remember that only a few years ago our library had no card index system and there was very little cataloguing done of our books. But now this work has been going forward steadily for a number of years; and long before Dr. Lamb was authorized to direct a National Library organization, we all looked forward to a National Library and a better-equipped Library of Parliament. I should not like it to be thought that we do not show a proper appreciation of all the work that has been carried on through the years.

Some Hon. Senators: Hear, hear.

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

TARIFF BOARD BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 276, an Act to amend the Tariff Board Act.

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

CANADIAN NATIONAL RAILWAY (TERRACE TO KITIMAT) BILL

THIRD READING

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Senator Robertson for the third reading of Bill 192, an Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia, and the motion in amendment "That the bill be not now read a third time, but that it be amended by deleting clause 9 thereof."

Hon. Wishart McL. Robertson: Honourable senators, those who were present in the house last night will recall that during the debate on the motion for third reading of this bill it was moved in amendment that the bill be not now read a third time, but that it be amended by deleting clause 9 thereof. I then undertook to give the matter some consideration, and I am now in a position to make a statement.

Clause 9 of the bill, which provides that the company is not required to fence the right of way of the railway line and is not liable in damages by reason only of the absence of fencing, alters the law as set out in sections 274 and 386 of the Railway Act.

Section 274 of the Railway Act provides that the company shall erect and maintain upon the railway, fences on each side of the railway; swing gates in such fences at farm crossings, and cattle-guards on each side of the highway, at every highway crossing at rail level with the railway. Subsection (4) of the same section provides that the Board of Transport Commissioners may, upon application made to it by the company, relieve the company, temporarily or otherwise, from erecting and maintaining such fences, gates and cattle-guards where the railway passes through any locality in which, in the opinion of the Board, such works and structures are unnecessary. You will note that the application must be made to the board by the company, and that before granting an exempting order the board must satisfy itself that the works and structures mentioned in the section are unnecessary.

Section 386 of the Railway Act imposes liability upon the company where damage is caused to animals which get upon lands of the company. Certain exceptions to this general statement of liability are set out in the section, and unless the company can bring itself within the exceptions it is liable for damages caused to animals which get up on its lands, whether these animals are at large or not. The exceptions deal with such matters as gates not being kept closed, gates wilfully left open, fences taken down, and animals turned loose on the railway.

As pointed out last night by the chairman of the Standing Committee on Transport and Communications (Hon. Mr. Hugessen), most of the discussion in committee was on other provisions of the bill than section 9. I was present at the latter part of the committee's meeting and heard only a portion of the discussion, and I must confess that when the vote was taken I felt that my responsibility as a member of the government required me to vote in favour of section 9. I had no intimate knowledge of the matter at all, and I personally was under the impression that if the section was deleted from the bill the railway company would have to fence the entire right of way, even though some of it ran through country where no fencing was necessary.

After listening to the views which were expressed so well here last night by the chairman of the committee and others, I was convinced that deletion of section 9 would materially improve the bill. It would not unduly handicap the railway, for at any time it can apply to the Board of Transport Commissioners for an order that no fencing shall be required along unsettled portions of the line; and in any event the situation can be reviewed from time to time. I expressed to the government my own personal viewpoint and that of other senators, and the government can see no reason why I should oppose the amendment. Therefore I am in favour of it.

The amendment was agreed to, and the bill as amended was read the third time, and passed.

CANADA DAIRY PRODUCTS BILL

REPORT OF COMMITTEE

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill B, an Act to amend the Canada Dairy Products Act.

Hon. Mr. Hayden: Honourable senators, I move concurrence in the committee's report.

Hon. Cyrille Vaillancourt: Honourable senators, I have only a few words to say. I think that if this report is adopted it will be necessary for the government to pass a general law to protect not only the dairy industry but every other industry in every province. We are all aware of the calamity that Canada has suffered recently in the outbreak of foot-and-mouth disease. If districts where this disease has been prevalent could freely ship afflicted animals to Ontario, Quebec, New Brunswick, or other provinces, it is easy to imagine the disastrous effects that

would follow. It is proper for the government to regulate distribution. In one of the committees this morning we discussed the sale and distribution of salacious and indecent literature. There too, I think the federal government should attempt some form of regulation. I do not speak only of dairy products when I say that there should be a law which would enable the provinces to protect themselves against things which they regard as harmful.

Hon. Mr. Vien: Honourable senators, I am not sure that I follow the effect of the amendment which the report of the committee recommends. The bill itself purports to amend chapter 39, section 6 of the statutes. The committee's amendment would delete all the words after "repealed" in line 5 of the bill. This would seem to destroy the whole bill.

Hon. Mr. Hayden: No.

Hon. Mr. Euler: No.

Hon. Mr. Vien: The amendment calls for the deletion of all the words after "repealed".

Hon. Mr. Hayden: The effect of the amendment is to repeal section 6 of the original Act.

Hon. Mr. Vien: I do not grasp the implication.

Hon. Mr. Hayden: Well, I do not mind helping out my friend. I may want his help some day. Section 6 of the original Canada Dairy Products Act appears on the right-hand page of Bill B. The bill in its original form proposed to amend that section by striking out of it any reference to interprovincial trade, or to prohibition by the governor in council, through regulation of the movement of certain named products between provinces. The effect of the committee's amendment is not to amend section 6, but to repeal it; and if this amendment is adopted, section 6 of the Canada Dairy Products Act will be eliminated.

Hon. Mr. Vien: I understand it now. Thank you.

The motion was agreed to, and the report was concurred in.

THIRD READING

Hon. Wishart McL. Robertson moved the third reading of the bill.

He said: I have a few words to say, not as to the proposed amendment, to which I offer no opposition, but to the general circumstances surrounding the consideration of this measure. Certain statements have been made, perhaps in the heat of debate, about the government's handling of legislation in general.

I attended the committee meeting at which the Minister of Agriculture appeared and made a statement and I need hardly say how happy I am that a solution agreeable to all concerned seems to have been reached. If I recall the minister's remarks correctly, he said that the Act had not been proclaimed because it was a re-enactment of many of the features already existing in the Dairy Industry Act, and that after reading the debate in the Senate he had some doubt whether he needed the power which clause 6 purported to give him. He further stated that he had in mind the introduction of an amendment to this very measure, but that pressure of business had prevented him from doing this, and he indicated that he would take under consideration the amendment proposed by the honourable senator from Waterloo (Hon. Mr. Euler). Some action contemplated or which had actually taken place in the province of Ontario, caused the minister to feel that under existing legislation he had sufficient authority to deal with fraud or misrepresentation; but he said that if the authority was not there, he would ask for it in some manner other than by amendment of the Canada Dairy Products Act.

During the debate I felt that perhaps there was some undue criticism of the minister and myself for allegedly interfering, as members of the government, in trade between the provinces. The minister said that he had no such intention, and that he was willing to consider changing anything that tended to interfere with such trade. This he did. One honourable senator said that the Senate should be firm in its stand on this question; but there was no intention, as I understand it, to limit the power of the government in dealing with fraud or misrepresentation. The underlying principle, I gathered, was opposition to any measure that would curtail the free movement of goods and services between the provinces of Canada. Perhaps none of us here fully realize the extent to which the practice of curtailment has developed through the years; and while the Senate has no constitutional authority to institute remedial measures, it might render a useful public service by inquiring into and reporting upon the extent to which this practice is being resorted to, not only by the provinces themselves but by municipal governments and professional organizations. One honourable senator referred to the "balkanization" of the provinces of Canada, which had assumed alarming proportions.

Honourable senators, I have nothing more to say about the amendment, except that I am happy that an agreement which is satisfactory to all has been arrived at.

During the discussion there has been a good deal of criticism of the government, actual or implied, because of the manner in

which legislation has come to this house. Such criticism involves me, as I am the only representative of the government in this house. It has been suggested that when the dairy products measure was before the house, in what is ordinarily referred to as "the dying days of the session", it did not receive adequate consideration. On behalf of the Senate, and specifically, of honourable members who were then present, I would say that the facts do not support that view.

As to the objection that legislation is brought before us too late in the session, I can say, from the experience of some seven years, that this objection has been made in this house every year since I became government leader. If my recollection serves me, the same complaint was raised each year during the leadership of the honourable senator from Kootenay East (Hon. Mr. King), who preceded me; and I am sure that it was heard when the two distinguished senators to my right were influential members of the government, and as such had something to do with the legislation which came to this house. No doubt if anyone had the patience to go through the records of *Hansard* he would find that similar criticisms were voiced in every single year since confederation.

Hon. Mr. Roebuck: And all were justified.

Hon. Mr. Euler: Perhaps all were justified.

Hon. Mr. Robertson: On the other hand, some honourable senators have taken a different view. I quote from one very distinguished gentleman, the Right Hon. Arthur Meighen, who, while leader of the opposition, on June 3, 1939, when this very point was under discussion, said:

> This year, as usual, important measures have come to us in the last and hurried days of the session. I do not feel like joining in the universal chorus against that practice, because I know that regardless of how well a government directs its program it is inevitable that one or more important bills should remain for consideration at our final sittings. But I do not think it is very creditable to this house that but a smattering of honourable members are present when serious work remains to be done. I have done everything I could, within reason and with courtesy, to request honourable members on our side to stay until the end, but with only meagre success. I suggest that in order to cure this situation we should restore the rule which affects very importantly the indemnity of senators if they are not present during the last two or three weeks of a session.

When I read that passage my curiosity was aroused as to the particular rule to which Mr. Meighen referred. While it may have no special bearing on this matter, honourable senators might be interested to know that on March 6, 1924, the Senate passed the following rules:

> 1. A member of the Senate to be entitled to have his sessional allowance reckoned on the basis of the full indemnity must attend a sitting of the Senate on at least two-thirds of the sitting days of the Senate.
>
> 2. A deduction at the rate of twenty-five dollars per day shall be made for every day upon which a senator does not attend a sitting of the Senate during the last two weeks of any session of parliament.

Obviously these rules did not meet with any great measure of approval, at least over a long period of time, since they were repealed on January 14, 1926, about two years afterwards.

Such experience as I have had leads me to the conclusion that under existing circumstances some legislation must be considered late in the session, for the simple and obvious reason that when all legislation has been dealt with, prorogation is not far away. What are "the dying days of the session"? Probably the week or two weeks preceding prorogation. But may I point out that in this matter hindsight is very much better than foresight. We cannot know in advance the date of prorogation. I have heard a great deal of discussion, fortified with reasons which are entitled to some respect, about the growing powers of governments. But it is to be remarked that in one particular the power of government is no greater today than it ever was; I mean, control of the date of prorogation. The simple phrase "governments propose and parliaments dispose" is no less true today than when it was first uttered. A government proposes legislation, and members of parliament take as long as they see fit to consider it. This right is freely and frequently exercised in the other place. Members of this chamber have the same authority.

Although I have never been charged with the responsibilities of administering a department, I have often thought that if by some miracle the government of the day could have its entire legislative program ready when parliament was opened, the total length of the sittings would be materially reduced. But whether parliament ends on June 30th or May 31st or July 31st, there will always be some last-minute legislation, for obviously one has to consider one bill after the other. Ever since I have been here, the last item, and one of the most important to come before us, was the Supply Bill; and on many occasions, particularly the year when I presented the bill some twenty minutes before parliament prorogued, I was faced with the biting criticism of my honourable friend opposite (Hon. Mr. Haig) that in view of the then situation there was little time to consider that piece of legislation; and he was right. But I suggest, honourable senators, that this condition will always continue.

I know of only two courses which might be followed to try to improve matters. One is to consider legislative proposals in advance of the time when they reach us officially. We did this in the case of the supply bill, and I believe that the results were reasonably satisfactory. When estimates have already been carefully examined, the passing of the supply bill may be reduced to a mere formality, although of course it is our right to resume and prolong discussion. The other method is to delay prorogation until all legislation has had what in the opinion of the membership is sufficient consideration.

Hon. Mr. Roebuck: That is the answer.

Hon. Mr. Robertson: I know of no other way of improving the existing situation.

We are rapidly approaching a condition not dissimilar to that which faced us a year ago. Very shortly there will be placed on the order paper in the other house some very important measures—the degree of importance of each bill to any individual senator depends, of course, upon his point of view—and at a certain stage parliament will be notified that "this is all". How quickly these measures will come before us I do not know; but when the whole of the sessional program is before us only one of two things can happen. One is to adopt generally our present practice with respect to the Supply Bill, or the procedure we adopted when handling the Transport Bill last year. If any honourable member feels that the legislative mill grinds too slowly and that certain bills do not come before us soon enough, I would be only too willing to facilitate the consideration of the subject matter of legislation in one of our committees before the bills themselves come before the Senate.

I have already put forth my best efforts to have certain legislation introduced in this chamber, and the Criminal Code Bill, for instance, is now being dealt with by one of our special committees. I had thought that the Citizenship and Immigration Bill could be introduced here, but such good progress has been made in the other house that this bill was introduced there. Within a few days the Minister of Health and Welfare will come to the Senate to explain legislation in connection with the Canada Drugs Act.

No matter what I do there is bound to be legislation that will not come before us until what may euphoniously be referred to as "the dying hours of the session". No one knows in advance when prorogation will take place, but when it does I suppose nobody leaves this place quicker than I do. As I say, however, I will do everything to facilitate the early consideration of legislation in this house, and I will see to it that honourable members are given an opportunity to give proper consideration to all legislation no matter if it delays the prorogation of parliament. But just here I should like to utter a word of caution. If a minimum quorum of this house—fifteen or sixteen members—undertakes to hold up parliament on legislation when it is obvious that some seventy-five members of the Senate are not sufficiently interested to be present, we may leave ourselves open to smashing criticism.

I should like to come to another point with respect to the consideration of legislation in this house. Last December I entered a certain debate and, after giving the government's view on the subject, asked the house not to concur in an amendment that was passed in one of our committees. The leader of the opposition (Hon. Mr. Haig) spoke immediately after me and questioned the propriety of my appealing the decision reached in committee. Let me remind honourable senators of the position in which I find myself. I am the lone government representative in this house of 102 members. I have been given to understand that it is my responsibility in the Senate to introduce all government legislation, and to see that it is explained. I will admit that I have never felt that this house has had as much information on the second reading of bills as it ought to have, and I have said so in the past; but I have had to carry on under the present system. It is my duty to support government legislation through thick and thin, even though my personal views may not be in agreement with those of the government. If at any time the government adopts policies that so outrage my conscience that I feel I can no longer remain a member of it, it will be a simple matter for me to save my conscience. As I say, I alone of all honourable senators, am responsible for and have pledged to support government legislation in committee and in this house, and I do not think there is any impropriety on my part in appealing from a motion passed in committee. In this house both His Honour the Speaker and myself have been appointed by the government. The deputy leader is not a government appointee, but was nominated by myself. He is not bound to support government legislation, and has acted accordingly on several occasions. The Whip is referred to as the "Government Whip" but that is a misnomer. He is not appointed by the government but by a Liberal caucus. The deputy government leader, the Whip or the Assistant Whip may oppose government legislation at any time. That is their right. On different occasions in the last two or three years, when some contentious matter has been before the house, various senators

have suggested to me that I should stand in my place and announce that government Senate members could exercise a "free vote". I have not done so for obvious reasons—already there is nothing but a free vote. I believe that all honourable senators, whether they supported government legislation or not, have acted according to their consciences. But it has been my job to support government legislation, and to ask, sometimes, that it go to committee with a minimum of explanation so that my colleagues may assist me later in explaining it.

I am sorry that the honourable senator from New Westminster (Hon. Mr. Reid) is not in his place, because I want to quote from what he said during a former debate in this house. I quote:

> . . . if it was not stated publicly in this chamber it was at least estimated that the government wanted it put through as quickly as possible.

He said further:

> . . . obviously there must have been some false pretences about the urgency of the legislation, and I for one am, shall I say, somewhat annoyed, after having been told that story, to find out now that the bill we were asked to expedite has not been put into effect.

Let me say that as far as I am concerned there has been no back door method in dealing with government legislation. If the government has pleaded some particular urgency with respect to legislation, I have said so. I am the medium for expressing the government's viewpoint, but I have never attempted in any way to hinder consideration of legislation either in committee or in this house.

I recall the circumstances when the very tensely debated Canada Dairy Products Bill was before us a year ago. After being given second reading, the bill was referred to committee, and the committee reported it favourably to the house at 11 o'clock on the morning of the day when we adjourned until the Fall. His Honour the Speaker asked when the bill should be read the third time, and honourable members who were present may recall that someone—I think it was the senator from Waterloo (Hon. Mr. Euler) drew my attention to the fact that the senator from Kootenay East (Hon. Mr. King), who wished to move an amendment to the bill, was temporarily absent. I did not ask that any technical advantage be taken of his absence. On the contrary, on my suggestion the motion for third reading was postponed, and we went on with other business for the time being. Then by the time that other business had been finished the senator from Kootenay East had come into the chamber and I moved the third reading of the Dairy Products Bill. My honourable friend did me the courtesy of thanking me for having the motion for third reading postponed until he had arrived.

I have never attempted to ram legislation through this house in any shape or form—it would be a foolish thing to do, anyway—and I have not been actuated by any such desire. Naturally I am desirous—and it is my responsibility—to have legislation proceeded with as expeditiously as is consistent with proper consideration. But I have never asked a senator to do anything other than what he sees fit. I am not in favour of the rule proposed by Mr. Meighen. In my opinion the question of whether a senator comes to this house or stays away is one for his own decision. I have never asked anyone to stay or to go away, except on the day of prorogation or the day before, if the Whips or those assisting them at the time have feared that there would not be a quorum present to enable parliament to prorogue. I have then asked those whose homes are in the immediate vicinity to be on hand to assure a quorum for prorogation. Some honourable senators do me the courtesy of notifying me when they are going to be away; but it is not within my power to say Yes or No, and even if I had the power I would not exercise it. They come and go as suits their convenience. I should like to see a good representation here in the dying days of the session, but whether a senator is or is not present is a matter for his own judgment. Any rule that would penalize members for not being present would work a great injustice to those who come here from long distances in the early part of the session, work steadily on committees, and who when the session has been prolonged a day or two beyond the expected date of prorogation would find themselves in an awkward position if unable to make use of railway reservations which they have been holding for some time.

I hope I am not delaying the house too long, but I feel that I should say a word about the suggestion that the Canada Dairy Products Bill was hurried through in the dying days of the first session of 1951. Let me give you the facts. That bill reached us and was given first reading on Tuesday, June 26. His Honour the Speaker then asked when the bill should be read the second time, and, in my absence, the deputy leader (Hon. Mr. Hugessen) said, "Next sitting." However, I did not move the second reading until Thursday, June 28, two days after the first reading. The attendance was good at that time. The Journals show there were 47 senators present, a number comparing favourably with the average

attendance throughout the session. There was a thorough discussion of the bill—far more discussion, both as to number of speakers and length of time, than on any other of the 93 public and private bills that were passed in that session.

The following figures showing the space occupied by speeches in *Hansard* indicate the relative length of time spent in debating this bill and the three other bills on which the next longest periods of time were consumed:

	Columns in Hansard
Income Tax Bill	33
Indian Bill	42
Wheat Board Bill	55
Canada Dairy Products Bill ..	73

The record also shows that 26 senators participated in the debate on the Dairy Products Bill. These figures certainly do not support any suggestion that the bill was hastily considered or rushed through here. I would also point out that the discussion on the Dairy Products Bill of the current session has been longer than that on any other bill, 21 senators having taken part in the debate, their remarks running to 48 columns in *Hansard*.

The debate on the motion for second reading last session extended over two days, Thursday and Friday, June 28 and 29. The motion was then passed and the bill referred to committee, where an official of the Department of Agriculture was present, together with the Minister of Justice. I regretted the absence of the Minister of Agriculture, but it was not the first time that I had had to handle legislation—and difficult legislation—without the assistance of the minister most concerned with it, and I doubt if it will be the last. The committee had before it the *Hansard* report of the brief debate on the bill in the other house. This included a statement by the minister that if for any reason the legislation proved to be unacceptable or unsatisfactory, he would consider an amendment.

On behalf of the Senate generally and of the very considerable number of members who were present when the bill was under discussion last year, I repeat that it was not dealt with in haste. Honourable senators debated it in the light of the best information that they had at the time, and I think it ill becomes any one who was not then present to reflect on the time and thought given to it.

Some Hon. Senators: Hear, hear.

Hon. W. D. Euler: Honourable senators, my remarks will be very brief. I am of course gratified that this bill apparently will receive third reading. I say that because I think the passing of the bill will vindicate a principle with which nearly all senators are in hearty accord, that of freedom of trade between the provinces.

Perhaps I should not refer to this, for I know that one should not look a gift horse in the mouth, but the committee's amendment really goes a little further than the bill which I had the honour to introduce. However, that is as may be, and I am quite satisfied with it.

With much of what has just been said by the leader of the government (Hon. Mr. Robertson)—though not with all—I agree. I strongly endorse his statement, which I myself have made in the Senate at various times, that the members of this body should feel entirely free to deal with matters according to their consciences. If members in general adopt that advice of the leader, I think the Senate will be a more valuable body in the future than it has been in the past. As I see it, the Senate will only achieve its highest peak of usefulness if every member, upon appointment to this chamber, forgets whether he or she was formerly a Grit or Tory and determines in future to deal with matters according to their merits.

Ordinarily, I suppose that I, being the one who introduced the bill into the Senate, should have moved its third reading. However, I am glad that the motion for third reading was moved by the leader (Hon. Mr. Robertson), if that in any way advances the likelihood of adoption of the bill in the House of Commons.

Hon. Mr. Robertson: I apologize to the honourable senator—

Hon. Mr. Euler: That is not necessary at all.

Hon. Mr. Robertson: It is just as well to have this on the record. It was properly the right of my honourable friend to move third reading of the bill, and I made the motion through oversight. I apologize to him for having done so.

Hon. John T. Haig: Honourable members, like the senator from Waterloo (Hon. Mr. Euler), I agree with some of the remarks of the leader of the government (Hon. Mr. Robertson), but not with all.

In common with many senators, I have had the experience of serving in another legislative body. For sixteen years I was in the Manitoba Legislature, and there, as here, I never knew a single session when the government did not bring down most of its important legislation in the last two or three weeks before prorogation. I quite agree with the leader that this has been the practice in

parliament down through the years, but that does not by any means justify the practice.

The length of the ordinary session nowadays presents a serious problem to many members of both houses, and also serves to keep young people of exceptional ability out of public life. Some of the ablest young men in my province have refused to be candidates for seats in the House of Commons, saying they could not attend to their own business and spend six or eight months of every year at Ottawa. True, we get reasonable compensation while the session lasts; but when we are defeated, out we go—and our business has gone.

My whole objection—and it applies to legislatures as well as to parliament—is that the government called the session on February 28, and no legislation except that for the control of the foot and mouth disease was introduced for many weeks. There was in fact no real legislation before this house until the debate in the other place was completed.

In my opinion, there is nothing to prevent the government from introducing all of its legislation in the first four weeks of each session and daring the members to waste the time of the house in discussion. No young man or young woman of any ability will enter public life to come to Ottawa and spend the first two months of each session listening to talk about the good and the bad points of the government. That is what is happening in parliament today. Look at what took place in the by-elections held last year and this year: nothing was said on the public platform about the real issues before this country or anything that happened in the House of Commons. The real problem that faced this country last year was the high cost of living; this year there is the added problem of high taxation. Make no mistake about it, the major issues are scarcely ever mentioned in the other place.

I say to the leader of the government in this house that it is his responsibility to see that legislation comes before us early in the session. As a member of the government, the honourable leader should urge upon his colleagues the desirability of having legislation ready for the house on the opening of parliament. In that way the government would challenge the opposition—which really determines the length of the sessions—to deal more expeditiously with questions when they came up for consideration. I know from experience that members of the Legislature of Manitoba, when legislation is pending, are urged by their constituents to get on with it.

I have no personal criticism whatsoever to make of the honourable leader of the government. It has been my pleasure to sit opposite him for seven years, and I could not ask for more co-operation, courtesy or understanding on his part. I only hope that if I am ever sitting in his seat, and he in mine, I will do as good a job as he has done over the past seven years. However, I would remind honourable senators that elections are now pending in British Columbia and Saskatchewan; and they are getting ready for elections in Quebec, Alberta and New Brunswick. About the only province that has no political activity is Prince Edward Island.

Hon. Mr. Beaubien: They have a good government there.

Hon. Mr. Haig: Yes; and the people of Manitoba may decide they want a good government too, when the next election comes along.

I now hear that we will be coming back to attend a new session of parliament in the middle of November of this year. But whether we meet in mid-November or early in January, I urge the government to have its legislation ready to be introduced at an early stage of the session. Here we are, within perhaps a month of prorogation, faced with a bill dealing with combines, although the government knew weeks ago that it would be presenting such a measure. Also, we are faced with an important measure dealing with re-distribution. I have never been in a house when a re-distribution of the seats was taking place, but I am quite sure that if the proposals do not reasonably meet the demands of both sides, the discussion will be a lengthy one. That is the kind of business that makes for long sessions.

This house has been sitting steadily since May 1, and apart from the divorce committee, which has been pushing along, we have met three days a week for the first two weeks, and four days a week for the balance of the time. In my opinion, we have just dawdled. This does not add to our standing in the community, nor does it satisfy our responsibility to Canada.

While on a visit yesterday to the city of London, I was surprised at the complete ignorance amongst some people as to the existence of the Senate and what it does. London, Ontario, is no small town, and I was astounded to hear leading citizens admit that nobody had ever told them why the Senate was constituted, why it continues to exist or what it is doing today. They knew that the C.C.F. party had said that it should be abolished, and somebody suggested that the "old mugwumps"—I am using the exact words—should be replaced by scientists and

other professional people. I pointed out that if we discussed in the house the matters we now deal with in committee rooms, Canada would be better served and the public generally would know more of what was happening. I pointed to such outstanding members of this house as the senator from Churchill (Hon. Mr. Crerar), the senator from Ottawa (Hon. Mr. Lambert), and the senator from Toronto-Trinity (Hon. Mr. Roebuck). These men where they are known all have the reputation of being able men. I pointed to the honourable senator from Vancouver South (Hon. Mr. Farris), as one who might well be considered an able citizen—

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: —and nobody apart from four lawyers in the group had ever heard of him. I mentioned the senators from Toronto —they knew one of them.

Hon. Mr. Beaubien: Had they ever heard of the Whip?

Hon. Mr. Haig: I spoke of the two lady senators—they knew there were ladies in the Senate—and they wanted to know something about them. I said that when questions arose affecting the women and children of this country, the honourable ladies were very active participants in the debate.

Take the legislation now before us, the amendment to which was thoroughly discussed in committee. When the Minister of Agriculture—and he is a very able man—came before us he thought that the issue involved was one of constitutionality. We brushed that aside, and told him we were away past that. That is what makes for time in the consideration of legislation. But now we are going to be slowed down by a measure dealing with combines. It will likely go to a special committee, but if the session is to conclude around July 1, how much time will we have to discuss it?

I urge the government, through the leader in this house, to start a new era in the conduct of the business of parliament. Things could be changed, if efforts were directed at the source of the trouble. Just the other day, for the first time in 85 years newspaper reporters were allowed in the Senate committee on Divorce. I had asked why they were excluded, and nobody seemed to have any positive answer, except that they thought there was some provision to that effect. So what had been done for 85 years was changed overnight. I suggest to the leader of the government (Hon. Mr. Robertson) that he urge the Cabinet to have its entire program of legislation presented in the first month of the next session, so that it can tell parliament, in effect, "That is all the legislation there is, and the sooner we get through with it the sooner the business of the country will be wound up."

It is my honest conviction that the Senate can continue, as it did in years gone by, to make a contribution to national legislation that will be second to none. We have not constantly hovering over us the threat of an election, within so many weeks or months or years, which could put us politically out of business. Anyone who has been an elected member of a legislature knows the feeling that the electors are watching him. But the Senate is free from all that kind of thing, and can devote its time, as the government leader has well said, to doing what it conscientiously believes to be the best for our country. Anyone who reads the debates relating to the establishment of this house cannot come to any other conclusion than that the Senate was intended to give legislation "sober second thought", based on the life experience of its membership, and to serve the best interests of the country irrespective of any political consideration. I will merely repeat in closing that the government should be invited to bring down all its legislation as early as possible after the opening date, so that it can receive attention when we have time to devote to it.

Hon. Mr. Horner: I noted the remark of the leader of the government (Hon. Mr. Robertson) about pressure of business on the Minister of Agriculture. We all know, of course, that the great pressure of his business in the past three weeks has been electioneering in the province of Saskatchewan.

Hon. Mr. Farris: There is a great deal in what the leader of the opposition (Hon. Mr. Haig) has said, but I think he has told only part of the story. I have an idea that if my honourable friend would accompany the leader of the government to the other place, while our leader was giving this good advice to the government the opposition leader could very well say to his confrere over there, "If you fellows would only quit talking, the government will have to bring down its legislation."

Hon. Mr. Lambert: This discussion, which my honourable friend from Waterloo (Hon. Mr. Euler) is entitled to close, has wandered rather far afield from the purpose of the amendment to the Dairy Products Act.

Hon. Mr. Aseltine: Everybody is out of order.

Hon. Mr. Lambert: In order to conclude the discussion on a note related to the legislation which is under consideration, I should like to suggest to my friend and worthy colleague

the senator from Kennebec (Hon. Mr. Vaillancourt) that he could usefully clarify the point of view he expressed earlier in the debate in connection with this bill, by submitting a resolution at some future date when the matter he raised could be further discussed on its merits. I believe it would be very helpful to all concerned if the respective interests of the provinces and the dominion in relation to economic matters could be correlated to the extent of getting at least some measure of agreement. Upon that note I conclude my attempt to bring the discussion back on the rails and to the subject-matter of the bill.

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

CANADIAN FARM LOAN BILL

SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill 275, an Act to amend the Canadian Farm Loan Act.

He said: Honourable senators, the Canadian Farm Loan Board is a wholly government-owned corporation. It was organized in 1929 to provide long-term loans to farmers on the security of farm lands. There have been a few amendments of the Act. For instance, in 1934 provision was made for the granting of short-term loans on second mortgages to those who were already first mortgagors. In 1950 it was arranged that this corporation, like any other farm organization, could be sued; but it never has been.

The question arises, what is the necessity for such legislation? As I recall, when the Act was passed there was a great demand for farm loans. In order to start farming or to set up an economic unit of farming it was necessary for many young farmers and others to borrow money. The banks would not make advances on land; and loan companies, because of legislation in certain of the provinces, withdrew from the field altogether. So the government stepped in with what has been a very useful piece of legislation, because it occupies a field not otherwise occupied, and regulates interest on farm loans.

The next question is, what is the Farm Loan Board? It consists of five members. There is a Commissioner, or Chairman, who is an executive officer of the board and a full-time employee; there is a deputy Commissioner or deputy Chairman, who also is a full-time employee; and there are three other members, one of whom must be the Deputy Minister of Finance. As amended, the Act will provide for the appointment of the deputy minister or any other officer of the department as a member of the board, and for an alternate to act in his place when necessary.

In all the provinces except Newfoundland there are provincial boards under special managers. These managers are full-time officials and old employees, many of them having held their positions since the legislation was initiated. Newfoundlanders who desire loans have to deal with the board at Halifax. Separate accounts are kept for each province, so that it can be seen where profits are being made and where the board is going into the red, as it has done in two of the eastern provinces.

The next question is, where does the board get its money? It began with a capital of $5 million, all of which was derived from the consolidated revenue—that is, from the government. Since then it has issued bonds, purchased by the government, to the extent of $20 million, and it is permitted to increase its issues to $50 million. There is also some capital stock issued at a dollar a share, and the amount of this stock is to approximate 5 per cent of the total outstanding loans.

Section 2 of the bill provides that the board may now raise money for lending by issuing notes. This will be advantageous, because farmers will be able to pay back the money and the board will have to cancel bonds which may run for some ten years.

Section 3 simply gives the government the right to ask for repayment from profits of some of the initial capital, but there is an arrangement that no greater amount will be paid back to the government than the amount in the reserve fund which has been set up. Arrangements are made for the board to issue and retire capital, and it is looking forward to expanding in the future. These arrangements, of course, can only be made when this part of the bill is proclaimed.

Section 4 of the bill is to correct drafting regulations. Recently when a member of the board died it was impossible for anyone to issue bonds, because there was no authorized person to sign them.

Section 5 of the bill authorizes the minister to lend money to the board.

Section 6 is the important section. At the present time, loans can be made only up to an amount of $5,000 and 50 per cent of the appraised value of the land. This section provides that loans may be made up to $10,000 and up to 60 per cent of the appraised value of the land.

Hon. Mr. Roebuck: That is the equity in the land?

Hon. Mr. Gershaw: It is referred to as the appraised value. At the present time the board charges its farmer borrowers 5 per cent per annum on first mortgage loans, and 5½ per cent per annum on second mortgage loans. The board has the right to set interest rates, and these must be set at figures which will give it enough money to pay its interest to the government, and to pay its own expenses and set aside a reasonable amount for a reserve fund. Up to the present time the board has paid all its own expenses and during the last year of operation the profit amounted to $136,000.

I inquired carefully to find out what the losses of the Canadian Farm Loan Board have been. I was informed that since the inception of the board the losses on properties acquired have amounted to $428,000, and the losses written off by agreement to $63,000. The losses written off under the Farmers Creditors Arrangement Act—a statute which has caused some controversy, because it has drastically reduced some loans—have amounted to $225,000. In other words, since the inception of the Canadian Farm Loan Board in 1929 its losses have amounted to $718,110.03. The Board has been in the practice of setting aside a certain percentage of its profits each year as a reserve against possible losses, and thus a substantial fund of $1,744,000 has been created. The actual losses have amounted to less than half this total.

Section 7 of the bill provides for the setting up of a Canadian Farm Loan Advisory Board consisting of from five to ten members, who, I believe, are to function on a part-time basis.

Section 8 of the bill provides that the accounts and financial transactions of the board shall be audited by the Auditor General rather than by a firm of chartered accountants.

Section 9 of the bill deals with the application forms for loans, farm loan bonds, mortgages, and so on.

Section 10 is important because it provides that persons who have a first mortgage on their land can never acquire more than one-third of that amount on second mortgage, whereas at the present time they can secure up to one-half. Subsection (b) of section 10 provides that money borrowed may be used to purchase new land. This may seem unreasonable, but in the carrying out of the Act it has been found extremely difficult to prevent loans from being used for this purpose. In other words, if a man wishes to buy new land he will borrow the money from somebody, and when he gets money from the Canadian Farm Loan Board he will pay off this debt. So the government frankly face the issue by saying that loans may be used to purchase new land.

Section 11, which is important, deals with those who have first and second mortgages. At the present time the aggregate maximum loans which can be secured by first and second mortgages is $6,000. This amount has been increased to $12,000. In provinces where chattel mortgages can be used as collateral, a loan previously could be made up to 66 2/3 per cent of the value of the land and buildings. This has now been raised to 70 per cent. In provinces where no chattel mortgages are allowed, loans can be made up to 65 per cent of the value, whereas formerly it was 60 per cent. It will be noted that the amounts that can be loaned have been increased. This has been found necessary because of the increased demand for agricultural products in the world and because of the present high cost of farm land and machinery.

Honourable senators, in order to summarize may I conclude with the following remarks? The amending bill which is now before us has three main purposes in view. The first is to increase the dollar value of maximum loans, and to permit loans to be made on a more generous scale in relation to the value of the security, and to permit second mortgage loans to be used to buy land. The proposed amendment will increase the maximum first mortgage loans from $5,000 to $10,000. At the present time a first mortgage loan is limited to 50 per cent of the appraised value of the security, and it is proposed to raise this limit to 60 per cent. The present maximum aggregate of first and second mortgage loans is $6,000, and it is proposed to increase this to $12,000.

The second amendment which the bill seeks to accomplish is the establishment of a National Advisory Board of from five to ten members to counsel and advise the Farm Loan Board on lending policies and farm financing matters in general.

The third proposed amendment is a more or less technical change in the board's borrowing powers and auditing arrangements, to bring these in line with the Financial Administration Act as applying to Crown corporations. For one thing, it is proposed that either the Deputy Minister or any other officer of the Department of Finance may be appointed a member of the board and may be represented at meetings by an alternate delegate. The auditing of the

books must be done by the Auditor General under the provisions of the Financial Administration Act.

Hon. W. M. Aseltine: Honourable senators, before I make a few remarks I should like to ask a question or two. Can the honourable senator tell me the amount of losses incurred in each of the provinces of Saskatchewan, Alberta and Manitoba?

Hon. Mr. Gershaw: There were no losses in those three provinces. I have not the exact figures, but I know that only two provinces were in the red.

Hon. Mr. Aseltine: What provinces were those?

Hon. Mr. Gershaw: Nova Scotia and New Brunswick.

Hon. Mr. Aseltine: I am glad there have been no losses in Saskatchewan. I think one reason for this is that the board has not been very liberal with its loans in that province. Can the honourable senator tell me how much money has been lent in Saskatchewan.

Hon. Mr. Gershaw: No, I have not that information.

Hon. Mr. Aseltine: It is very difficult to get one of these loans in Saskatchewan. I have had many clients who unsuccessfully applied for a loan on a section of land entirely free of encumbrance. Because these people owed money on other land the board would not lend on the security of land that was perfectly clear.

Hon. Mr. Hugessen: You should get a better class of clients

Hon. Mr. Aseltine: The board requires the farmer to make a financial statement of all his assets and liabilities, and will not grant a loan on a parcel of land to which the farmer has a clear title, unless the amount of the loan that is realized after the costs are paid is sufficient to satisfy all his debts. The farmer is required to list among his liabilities every debt on farm property in his name, and any mortgage on chattels as well. In the past the board refused every application for a loan if it seemed probable that some of the money that was sought to be borrowed would be used for the purchase of any other property. Even though you had a clear title to a good property you could not get a loan on it unless you disclosed to the board just what you proposed to do with every dollar of the money that you wished to borrow. As a result, it has been almost impossible for the ordinary farmer to obtain a loan. In fact, not a single application that has come to my attention has been granted.

That is my criticism of what has been going on in the past. The senator from Medicine Hat (Hon. Mr. Gershaw) gave a very clear explanation of the bill, and in general I agree with its terms. I think it will tend to open things up a little bit and allow some of the loans which have been refused in the past to go through.

There are some other questions which I wish to ask, but I shall withhold them until the bill is in committee, where I hope it will be possible to obtain answers to them and also to the questions that I have already put.

Hon. John T. Haig: I hope the senator from Medicine Hat (Hon Mr. Gershaw) will procure some information for me also. I wish to know the total amount of the loans made annually for the last five years in each of the provinces of Manitoba, Saskatchewan and Alberta. I suggest to him that he will be shocked at the smallness of those loans. The provincial government is building a highway east of Winnipeg and values the land in the district at $60 an acre. You could not buy any land there for less than $75 an acre, yet the Farm Loan Board places a value of only $30 upon it. So far as my province is concerned, the present Act is absolutely useless. The only people who borrow under it are the very ones that the government should not lend to. Evidently the same thing is true in other provinces. Let me give an illustration. In the province of Saskatchewan —I do not know whether I should say this or not—

Hon. Mr. Roebuck: Be careful.

Hon. Mr. Aseltine: Yes, you had better be very careful.

Hon. Mr. Haig: I held a mortgage on a piece of land for thirty years. Every year I hoped the farmer would pay me something on account, but at the end of the thirty years he owed as much as at the start.

Hon. Mr. Beaubien: What interest did you charge him?

Hon. Mr. Haig: Four per cent, and I thought I was stealing money from him, at that. I knew the land was poor. Well, one day he wrote me and said he was applying to the Farm Loan Board for a loan. I do not think any one should pray that the board will grant a loan, but never in my life was I so close to doing that as then. Anyway, the loan was made and I have been paid off in full.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Will my honourable friend permit me to make a suggestion? The Banking and Commerce Committee already has a lot of business before it, and is going to have more as time goes on. This bill has to do with natural resources, and I would suggest that he move a reference to the Standing Committee on Natural Resources.

Hon. Mr. Gershaw: That is quite agreeable. I move that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill I-10, an Act for the relief of Joseph Timothy O'Connor.

Bill J-10, an Act for the relief of Victoria Elias Abdelhay.

Bill K-10, an Act for the relief of Margaret Edith Grace Batt Trent.

Bill L-10, an Act for the relief of Pearl Abramovitch Hoffman.

Bill M-10, an Act for the relief of Lily Sperling Kofsky.

Bill N-10, an Act for the relief of Jean Isobel Taylor Cuffling.

Bill O-10, an Act for the relief of Charles William Ledger.

Bill P-10, an Act for the relief of Benjamin Gordon Church.

Bill Q-10, an Act for the relief of Laura Juliette Aubert Macdonald.

Bill R-10, an Act for the relief of Jean Lesly Macfarlane Cameron.

Bill S-10, an Act for the relief of Sarto Desnoyers.

Bill T-10, an Act for the relief of Jean Marc Duckett Audet.

Bill U-10, an Act for the relief of Eugene Cote.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move that they be read the third time now.

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

CRIMINAL CODE (RACE MEETINGS) BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill V-10, an Act to amend the Criminal Code (Race Meetings).

He said: Honourable senators, two amendments are proposed by this bill. The first amendment involves a change in the percentages that may be retained by racing associations from the total amount of money wagered on each race, the change being from a graduated scale of percentages, depending on the amount wagered on each race, to a fixed percentage.

Subsection 4 of section 235 of the Criminal Code now provides for such a graduated scale of percentages, ranging from 9 per cent to 5 per cent, that may be retained by a racing association. It is now proposed that this rate shall be fixed at 9 per cent of the total amount wagered on each race. At present the amount retained by racing associations throughout the country is calculated at the rate of 9 per cent of the amount of money wagered in respect of 85 per cent to 90 per cent of the races run. The lower rates of this graduated scale are used mainly on Saturdays and holidays, when stake races with substantial purses take place.

In the United States a fixed rate of parimutuel commission has been adopted instead of the sliding scale presently in effect in Canada.

The change to a fixed rate of 9 per cent will mean only a fractional percentage to the racing associations, but the change will greatly simplify the work of the departmental supervisors at the track, and it is recommended for the purpose of bringing about more efficient supervision and administration. The second part of the amendment is to clarify the method of handling the odd cents which are presently retained by the association, and to make it clear that any remainder, as well as any odd cents that may occur in the quotient when the pools are calculated, may be retained by the association. This involved deleting the words:

> . . . the person or association is also entitled to retain the odd cents over any multiple of five cents, and the odd cents may be eliminated from the amount to be paid to any bettor.

—and inserting therefor the words:

. . . the person or association may retain the remainder occurring in each calculation under the regulations of the amount payable in respect of each dollar wagered, and any odd cents over any multiple of five cents in the amount so calculated.

This legislation, if enacted, will clarify the law and assist in the administration and supervision of the pari-mutuel betting.

I may say honourable senators that I am not very familiar with this subject. It is my intention, if the house sees fit to give the bill second reading, to move that it be referred to the Standing Committee on Banking and Commerce, where well informed witnesses will attend to explain the nature and effect of the proposed legislation.

Hon. Mr. Farris: May I ask my honourable friend what is the attitude of the pari-mutuels towards this bill?

Hon. Mr. Robertson: I am sorry, but I am unable to answer that question. As I say, such information will be available in committee.

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

REFERRED TO COMMITTEE

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

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 4, 1952

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

Prayers and routine proceedings.

STAFF OF THE SENATE

REPORTS OF INTERNAL ECONOMY COMMITTEE

Hon. Norman M. Paterson presented the second, third, fourth and fifth reports of the Standing Committee on Internal Economy and Contingent Accounts.

The reports were read by the Clerk Assistant.

The Hon. the Speaker: When shall these reports be taken into consideration?

Hon. Mr. Robertson: Next sitting.

CANADA ELECTIONS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 277, an Act to amend the Canada Elections Act.

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 277, an Act to amend the Canada Elections Act, have in obedience to the order of reference of June 2, 1952, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move third reading now.

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

CRIMINAL CODE (RACE MEETINGS) BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill V-10, an Act to amend the Criminal Code (Race Meetings).

The report was read by the Clerk Assistant, as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill V-10, an Act to amend the Criminal Code (Race Meetings), have in obedience to the order of reference of June 3, 1952, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

GOVERNMENT PROPERTY TRAFFIC BILL

FIRST READING

Hon. Mr. Robertson presented Bill D-11, an Act for the control of traffic on government property.

Some Hon. Senators: Hear, hear.

The bill was read the first time.

SECOND READING TOMORROW

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

Hon. Mr. Robertson: Honourable senators, despite the rule requiring two days' notice of a motion for second reading, with which I thoroughly agree, I should like to ask permission of the house to have the motion for second reading of this bill placed on the Order Paper for tomorrow. And if possible, consistent with careful examination of the bill, I should be glad to have the bill passed again this week.

The bill will be distributed as soon as possible, when honourable senators will note that it is a fairly simple one. Existing legislation does not permit the government to make traffic regulations on government property where there is a right of way. This bill remedies that weakness by empowering the government to make regulations in any event. It also makes clear that the owner rather than the occupant of a parked vehicle is liable for any infraction of the law, a provision, I understand, that is customary in all traffic regulations.

I have consulted the chairman of the Standing Committee on Public Buildings and Grounds (Hon. Mr. Fafard) and the leader of the opposition (Hon. Mr. Haig), who also is a member of that committee and, like the chairman, has spent a good deal of time and energy in trying to reach a solution of the vexed problem of parking on government property. If the house is agreeable, I will move that the bill be placed on the Order Paper for second reading tomorrow.

The motion was agreed to, and it was ordered that the bill be placed on the Order Paper for second reading tomorrow.

FOOD AND DRUGS BILL

FIRST READING

Hon. Mr. Robertson presented Bill E-11, an Act respecting food, drugs, cosmetics and therapeutic devices.

The bill was read the first time.

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

Hon. Mr. Robertson: Honourable senators, I have asked my colleague the Minister of Health and Welfare to come to the Senate next Tuesday, if that will be agreeable to honourable members, to explain this bill on the motion for second reading. While of course it is always the desire of the government to have legislation expedited as much as is reasonably possible, this bill, which is a very important one, is being introduced here with the idea that it may be circulated and that persons interested in it shall have an opportunity of appearing before a Senate committee. Should the Senate in its wisdom see fit to pass the bill this session, that of course will be quite satisfactory but the question of how much time shall be spent on consideration of the bill is entirely one for the Senate.

I move that the bill be set down for second reading on Tuesday next.

The motion was agreed to, and it was ordered that the bill be placed on the Order Paper for second reading on Tuesday next.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill W-10, an Act for the relief of Jean Baptiste Armand Michaud.

Bill X-10, an Act for the relief of Anna Lapinska Cholewicki.

Bill Y-10, an Act for the relief of Alexander William Hyndman.

Bill Z-10, an Act for the relief of Vivian Mary Dickson Stewart.

Bill A-11, an Act for the relief of Stanley Baker Smith.

Bill B-11, an Act for the relief of Rebekah Ellinor Conley Burman.

Bill C-11, an Act for the relief of Allan Gowans.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: Honourable senators, I am given to understand that the end of the present session is drawing near. It is therefore most important that the bills be sent to the other house as soon as possible. In these somewhat unusual circumstances I would ask leave of the house to move third reading of these divorce bills today.

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

INCOME TAX BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 205, an Act to amend the Income Tax Act.

He said: Honourable senators, we now have before us the annual amendments to the Income Tax Act. The bill comprises thirty-four sections, and covers some 22 pages. Although the amendments do not call for any reduction in tax rates, I am happy to say that many of them could be described as "relieving" in their effect—

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Hayden: —and not in the sense of relieving the taxpayer of any additional money.

In view of what has been said in the Senate recently, I feel that I should set an example by giving as much information as I possess about these amendments. In that way there will be a public record—to the extent of my ability to explain them—of what the amendments mean and what they are intended to do. I propose to deal with the amendments *seriatim* as they appear in the bill.

Section 1 would amend subsection (2) of section 8 of the present Income Tax Act—set out on the right-hand page of the bill under "explanatory notes"—and deals with loans by a corporation to its shareholders. Under the law as it now stands, a loan by a corporation to a shareholder shall be deemed to be received by the shareholder as a dividend. To this provision, there are three exceptions, which honourable senators will see set out on the right-hand page, namely, when loans are made by a corporation—

(a) in the ordinary course of its business and the lending of money was part of its ordinary business,

(b) to an officer or servant of the corporation to enable or assist him to purchase or erect a dwelling house for his own occupation, or

(c) to an officer or servant of the corporation to enable or assist him to purchase from the corporation fully paid shares of the corporation to be held by him for his own benefit.

By an additional subparagraph, subsection (2) (iv), a further exception is made, of a loan—

to an officer or servant of the corporation to enable or assist him to purchase an automobile to be used by him in the performance of the duties of his office or employment.

There must be a *bona fide* arrangement at the time the loan is made providing for the return of the money within a reasonable time. Another condition is now attached.

There was the broad principle of law that if a company made a loan to a shareholder, it was deemed to be a dividend in the hands of the shareholder. By a relieving provision, paragraph (b), this principle of law will not apply if—

the loan was repaid within one year from the end of the taxation year of the corporation in which it was made and it is established, by subsequent events or otherwise, that the repayment was not made as a part of a series of loans and repayments.

What has happened in a number of cases is that directors or shareholders, who were in a position to require a company to do their bidding, obtained loans from the company and paid them off before the end of the year, only to receive them again at the beginning of the next year. In its original form this provision was designed to make any loan, subject to the three exceptions I have named, a dividend in the hands of the shareholder receiving it. Now relief is provided to this extent. If the loan is repaid within a year from the end of the taxation year in which it is made, and it does not afterwards appear that there has been an arrangement under which the loan will recur from year to year and be paid off within the limit, such loan is not caught and made income, and taxable in the hands of the shareholder who receives it.

The explanation of section 2 is very simple. At the present time, by the Income Tax Act, all the income of the Governor General of Canada is exempt from tax. A reading of section 2 with section 16 of the bill shows that it is proposed to exempt only the income from the office of the Governor General, and of course there is a big difference between exempting all the income of the Governor General and exempting the income from the office of the Governor General.

Section 3 relates to what is commonly known as "terminal funding" in relation to a pension plan. There are in existence some pension plans under which employers make no payments over the course of the years of employment, but on the retirement of a particular employee pay a lump payment into the fund. This section provides for the deduction of such a payment from what would otherwise be income. Subsection (2) of section 3 contains an additional item, paragraph (e). It will be recalled that some years ago there came into existence what is generally known as the "Rand formula": I think it arose from a strike among the Ford employees at Windsor. Recourse was had to arbitration, or a conciliator was appointed, in the person of the Honourable Mr. Justice Rand, whose report included this so-called Rand formula. The formula provided for the collection of dues by a union even from employees who were not members of the union. I do not have to justify this formula, nor would I attempt to do so, but the reasoning behind it seems to be that employees who were non-members received some benefits from the bargaining by union representatives with the company, and therefore should make a contribution to the union funds. Dues so paid by persons who were not members of the union did not qualify for exemption from income tax. It has been felt that there is some merit in the claim that these people should, in respect of such contributions, receive the same consideration as union members and subsection (2) (e) provides that annual dues which, pursuant to the provisions of a collective agreement, are retained by the employer from the employee's remuneration and paid to a trade union or association of which the taxpayer is not a member, may be deducted before determination of the taxable income of the individual.

Section 4, I think, is important in its incidence. As the Act stands, there is provision under section 13 whereby the minister is empowered to designate the chief source of income of the taxpayer. Subsection (1) of section 13 states:

The income of a person for a taxation year shall be deemed to be not less than his income for the year from his chief source of income.

By section 4 of the bill this subsection is deleted, and the other subsections are rearranged. The effect of the change is rather important, because once you remove from the Act the ministerial power to designate one source of income as being the chief source of income, the position is this: though the taxpayer may have several sources of income, and in relation to one of these sources the expenditure may be greater than the income he receives, as a result of the removal of subsection (1) he will be able to pool his income from the various sources thereof and file his deductions from those various sources. Many taxpayers have complained that they were penalized because they had an excess of income over expenditures in their chief business and chief source of income, as ruled by the minister, and although in respect of a secondary source their expenditures were greater than their income, they had to absorb those secondary expenses because they were

not permitted to deduct them. As I have said, the effect of eliminating subsection (1) is to permit generally the pooling of expenses, and in every aspect the amendment is a relieving provision.

By section 5 of the bill, several subsections of section 17 of the Act are repealed; others are re-enacted, and new subsections are added. Subsection (1) of section 5 seeks to enact new subsections (3), (4) and (5). By the first of these, the new subsection (3), an addition is made to cover "the carriage of goods or passengers or for other services." The provision has to do with a case of this kind: a taxpayer carrying on business in Canada enters into an arrangement whereby he pays or agrees to pay to a non-resident with whom he is not dealing at arm's length, as price or consideration for the use or reproduction of some property, or as consideration for the carriage of goods or passengers, or for other services, an amount greater than the amount that would have been reasonable in the circumstances if the non-resident person and the taxpayer had been dealing at arm's length. At the present time the test as to whether or not the amount paid is too great is to determine what similar business operations have paid for the use or reproduction of similar facilities. This is changed, and the test now will be to determine what is a reasonable amount in the circumstances, if the non-resident person and the taxpayer have been dealing at arm's length, and in computing the taxpayer's income from the business this reasonable amount shall be deemed to be the amount paid, or payable therefor. This means that if a taxpayer has paid too much beyond a reasonable amount, for the purposes of computing his balance sheet position—his profit and loss account, his expenses and costs—he will only be allowed to include an amount which the minister regards as reasonable and not the amount he has actually paid.

Hon. Mr. Euler: Are these decisions appealable to the Income Tax Appeal Board?

Hon. Mr. Hayden: Yes, all of them. Subsection 4 deals with the reverse situation where a non-resident person has paid, or agreed to pay, to a taxpayer carrying on business in Canada, with whom he was not dealing at arm's length as to price, rental, and so on, for use or reproduction of any property, or as consideration for the carriage of goods or passengers, or for other services, an amount less than the amount that would be regarded as reasonable in all the circumstances. In this case the amount that shall be computed as having been received by the Canadian taxpayer shall be the amount which the minister regards as reasonable, and not the amount which in fact may have been the consideration in the transaction.

Subsections (5) and (6) are purely technical. The language heretofore used in dealing with the same subject matter appears opposite to page 3. It is, in part, as follows:

> Where a corporation has directly or indirectly distributed to its shareholders any of its property, either on winding-up or otherwise . . .

Confusion developed as to what was meant by "winding-up or otherwise". In order to remove this confusion, subsection 5 deals with the situation which may be described as "otherwise", and subsection 6 with the situation of "winding-up". There has been no change in the wording of the law; this is merely a re-statement for clarification.

Subsection (7) is new. Its purpose is to remove a certain requirement under section 17 of the Act. It will be recalled that when we brought in the provision relating to depreciation on the diminishing balance of real estate, section 20 was designed to prevent a person who was not dealing at arm's length from transferring property at a level which would establish the then depreciated value of the property on a higher level. This meant that the person receiving the property could start his depreciation all over again at the higher level. Subsection (7) will remove this requirement in dealing with the following type of situation. If, in these circumstances, a subsidiary company transfers property to its parent company at the book value, one could almost assume that this book value would be less than the fair market value. In this case subsections (2), (5) and (6) would take effect, and it could be said that the company transferred its property at less than the fair market value for the purposes of recording the transaction and so that in relation to income it would be regarded as being the fair market value. Then this subsection will step in and say that subsections (2), (5) and (6) are not to apply where parties are not dealing at arm's length. This is the type of transaction that is intended to be covered.

Section 6 of the bill is purely for the purpose of clarification, and a full explanation is given in the explanatory notes. It is to ensure that, in relation to section 22 of the Act, where reference is made to property substituted for other property, the substitutions made after the first substitution will be included. In other words, subsequent substitutions are intended to be covered by the language of the section, not just the first substitution.

Section 7 of the bill deals with medical expenses and amends section 26 of the Act, which reads, in part, as follows:

> (b) an amount equal to that portion of medical expenses in excess of 4 per cent of the taxpayer's income incurred and paid either by the taxpayer or his legal representatives.

Then it sets out the conditions. The word "incurred" is taken out, so that if a person incurred medical expenses in 1952 and paid for them in 1953, he would be entitled to claim them in 1953; in other words, in the year in which they were paid. Hitherto it has been necessary to do some fancy adjusting so as to settle on some twelve-month period which would straddle the time intended to be covered. The important point here is that the amounts have been changed and stepped up. The limitation of 4 per cent still remains, but a person who formerly was entitled to an exemption of $1,000 for medical expenses is now entitled to exemption up to $2,000. In the case of a person who may at present deduct a maximum of $750, the limit has been increased to $1,500. The deductible amount for each dependent in respect of whom a maximum of $250 may at present be deducted, has been advanced to $500, and the maximum deduction allowed, no matter how many dependents a person may have, has been increased from $1,000 to $2,000. That applies to 1952 and subsequent years.

Section 8 of the bill amends section 27 of the Act. You will recall that subsection 1 of section 27 provides that dividends received by one Canadian corporation, or a corporation resident in Canada, from another corporation, may be deducted from taxable income; and there is a list of the classes of companies whose dividends may be deducted from the taxable income of the receiving corporation. The first part of this amendment extends the list by adding thereto foreign business corporations, that is, Canadian corporations which carry on their business entirely outside of Canada.

It is when we come to subsection (2) of section 8 of the bill that we run into problems. That subsection repeals subsection (1A) of section 27 of the Act, which is under the heading of "Dividends from controlled corporations". A controlled corporation is defined as one the control of which has been acquired on or after May 10, 1950, which date was fixed by an amendment made to the Act in 1950. Where a controlled company which was acquired after that date had a surplus at the time the control was acquired, that surplus is called in the Act a designated surplus. There are several ways by which you may now get the surplus out. You may, for instance, get it out under the provisions of section 95A, by paying a tax of 15 per cent. You are required to make an election, but if you do not do so the provisions of section 27(3) (1E) will apply.

The present subsection (1E) is repealed, and a new subsection is substituted in a further attempt at phrasing. In previous years the attempt to put the formula into exact words presented a problem that does not seem to have been satisfactorily settled, and it is felt that a better job is done now. I would not attempt a detailed explanation of how the subsection works. It comes into play only where a controlled company has a designated surplus and attempts to pass a dividend without making an election. The problem then is to determine whether the dividend includes only current earnings made since the control was acquired, or something from the designated surplus. If I read the new subsection there would be difficulty in following it, so to try to make it clear I have had a typical case worked out, making certain assumptions, following the formula, and spelling out the attempt to determine what amount of a dividend paid in those circumstances would be regarded as having come from the designated surplus rather than from current earnings. I think the simplest method of making this explanation would be to place on the record the memorandum which I have prepared, and with leave of the Senate I will do that.

Some Hon. Senators: Agreed.

The memorandum follows:

Re Section 27

Company A has fiscal periods ending on December 31. At the end of 1950 it had undistributed income of $40,000. In 1951 a majority of its shares are bought by Company B.

(Say B buys two-thirds of the shares.)

Earnings of Company A for 1951 were $10,000.

If dividends paid by Company A in 1952 are less than $10,000, no part comes out of designated surplus and the part passing to Company B is exempt. See subsection (1E) (a).

Paragraph (b) of subsection (1E) operates where the dividend was greater than $10,000. Suppose it were $30,000:

	$30,000
Out of designated surplus	20,000
Exempt	$10,000

Paragraph (b) reduces the exempt dividend by the lesser of:

(i) Total dividends paid out of by Company A	$30,000
Deduct amount of available earnings of control period	10,000
Amount in sub-paragraph (i)	$20,000
(ii) Amount of designated surplus	$40,000
Deduct: (a) Tax-paid under part XVIII of old Act	10,000
	$30,000
Deduct (b) Tax paid under part 1A (s. 95A) on	15,000
Amount in subparagraph (ii)	$15,000

The result is that of the whole $30,000 dividend paid by Company A only $15,000 is deemed to be paid out of designated surplus. This is half, so half of whatever Company B receives is not exempt.

$$\frac{\text{(Dividend received by B) } \$20{,}000}{\text{(Total dividends) } \quad 30{,}000} \times \$15{,}000 =$$

(amount not exempt, $10,000.)

Hon. Mr. Hayden: Next I wish to deal with subsection 4 of section 8 of the bill, which is to be found at the bottom of page 6. This repeals subsection (3) of section 27 of the Act and substitutes a new subsection therefor. This gives relief. The present section 27(3) of the Act puts up what might be called a road block against a certain type of transaction. Let us say that an individual or corporation was holding securities against the possibility of making a capital gain on them. In the meantime the last thing in the world that the person or corporation desired was income, so around the time when a dividend was about to be declared—and in some cases it might be a substantial dividend —the owner would sell those securities to a trading company. The dividend would then be paid to the trading company, in whose hands it would not be taxable; and subsequently the trading company would sell the shares back to the person from whom it originally bought them, this transaction being made at a loss which would reflect the payment of the dividend. Prior to the introduction of section 27(3) in its original form the trading company was in a position to charge off the loss against its trading operations, but that section provided a complete bar to this deduction. The new subsection (3) abates the rigour of that provision by allowing the trading company in such circumstances to deduct the loss on the securities if it has held them for a year, provided that at the time the dividend was paid the trading company did not own more than 5 per cent of the particular issue of shares involved in the transaction. But although the new subsection gives a measure of relief, the road block still stands against any of the more substantial operations which were indulged in from time to time before the passing of the original subsection.

Section 9 of the bill, on page 7, sets out the new table of graduated rates of tax applicable to individual incomes for 1953 and subsequent years. This table implements the budget resolution. The defence surtax is consolidated in these rates.

Hon. Mr. Aseltine: The defence tax is hidden.

Hon. Mr. Hayden: I used the word "consolidated".

Hon. Mr. Aseltine: You cannot see it, but you can feel it.

Hon. Mr. Hayden: As a matter of fact, these new graduated rates apply to part of the year 1952 as well. If you look at subsection 4, on page 8 of the bill, you will see there the rates which are to apply in 1952. In part of the year we will have the old graduated rates, plus the defence surtax, and for the balance we will have the new rates which give some reduction in the amount of surtax. The subsection to which I refer really covers the effective rate applicable in 1952, and thereafter subsection 1 of section 9 provides the general rates which will remain in force unless and until they are changed.

Subsection 4 of section 31 of the Act is repealed, and a new subsection, containing a definition of "investment income"—and it is not important at the moment—is substituted therefor.

Subsection (7A) of section 31 of the Act is repealed. The effect of this is to remove the application of defence surtax from investment income. It appears that there was some confusion about whether or not the defence surtax was to apply to investment income. This removes the doubt.

Hon. Mr. Euler: What is the interpretation now?

Hon. Mr. Hayden: It is not an interpretation.

Hon. Mr. Euler: In what way does it remove the doubt?

Hon. Mr. Hayden: By repealing the subsection.

Hon. Mr. Euler: Then does the tax apply to investment income or does it not?

Hon. Mr. Hayden: The defence surtax, when repealed by subsection 3 of section 9 of the bill, will no longer apply to investment income.

Hon. Mr. Euler: Because it is incorporated in the general rates?

Hon. Mr. Hayden: The investment rate is a special rate; it is not incorporated in the general rates.

Hon. Mr. Haig: The 4 per cent rate?

Hon. Mr. Hayden: Yes, the 4 per cent rate which applies on income above a fixed level and allows for certain deductions. There was some doubt as to whether the defence surtax, in the form in which the legislation was enacted, applied to investment income. Now the doubt is entirely removed by repealing the subsection which introduced the defence surtax.

I now turn to section 10, on page 9 of the bill, by which section 34B of the Act is repealed. That was the section which enabled a person who was subject to the recapture provisions in relation to depreciation, and who had taken depreciation for a number of years on the diminishing balance basis and then sold his property at a gain, to take that gain into income at the rate of one-fifth each year for five years, instead of taking it all into income in the year in which he made it.

Although that section is now to be repealed, you do not need to worry too much about it, for you will find that by section 15 of the bill the five-year benefit is restored, not only in relation to individuals but corporations.

Section 11 is merely a clarifying section, and I do not think I need spend any time on it.

Section 12 has to do with rates for related corporations. I need make no comment on that section, except to say that with respect to related companies the rate is 50 per cent, and that subsection 3 of this section provides for an apportionment of the rates in cases where the fiscal year of the company falls into two calendar years.

Section 13 provides for a credit of 5 per cent against the federal tax. Against the rate of 50 per cent corporations are entitled to a 5 per cent credit in relation to the provincial tax in those provinces which could be described as the non-agreeing provinces, namely Ontario and Quebec. The purpose of this provision is to give a credit on income earned in the province, whether or not it is taxable under provincial law. The section also provides for the enactment of rules for determining the portion of income which shall be in that category. It is altogether likely that the rules presently existing in the provinces will be adopted, but we shall have to wait and see.

Hon. Mr. Isnor: Do I understand that a firm with its head office in Ontario, and doing 90 per cent of its business in the other nine provinces, would not enjoy the credit of 5 per cent?

Hon. Mr. Hayden: No. What this means is that a firm which is now doing business in Ontario and paying 7 per cent provincial corporation tax is entitled, as against the federal corporation tax of 50 per cent, to a credit of 5 per cent of the income it has earned on its operations in that province.

Hon. Mr. McDonald: Does that provision also apply in Quebec?

Hon. Mr. Hayden: As a non-agreeing province, Quebec qualified for the credit.

Hon. Mr. Nicol: It is not enough.

Hon. Mr. Hayden: I have always followed the principle that when I am given something, I take it. If I do not think it is enough, I can ask for more; but I like to fasten on to what is offered, if it represents something. To the extent that this provision gives some credit, I think we should welcome it; and if we are still dissatisfied, then we should voice our dissatisfaction in the house, in the hope that the Minister's ears will be tuned to what we say, and that something will be done about it next year.

Subsection 3 of section 13 is a clarification, to make it clear that defence surtax is not intended to apply to non-resident-owned companies.

Section 14 provides for the tax credits to which a company in Canada is entitled in relation to its earnings in various other countries. The section would clarify two points. First, it makes it clear that you are not entitled to deduct the amount of tax paid in foreign countries in relation to income received from operation in Canada; but you are entitled to deduct the amount of tax paid on that income to the extent that the amount received from foreign sources was subject to tax in Canada. Further, the bill makes it clear that foreign tax credits are not lumped together. Each country is taken separately, and the income that has accrued to the company in Canada, from its operations in a particular country, is related to the income tax laws of Canada, to see to what extent it is subject to tax in this country. If it is not subject to tax in Canada, the taxpayer is not allowed a tax credit.

The next section I want to deal with is No. 15. I regard it as of some importance, because it modifies the original concept of the law as regards recapture where property is subsequently sold and a capital gain realized. The effect of section 15, which provides for new section 39A, is to entitle both an individual and a corporation to spread the period of recapture over five years. A few practical problems have to be dealt with. This method of depreciation was introduced in 1949, and the five-year period would expire in 1954. It is now proposed to bring the five-year provision into effect for 1954 and later years. Subsection (3) takes care of excess capital cost allowances in the meantime. To give an example, let us assume that from a sale of property in 1951 I made a profit of $2,000, and that I wrote off depreciation for 1949 and 1950 of, say, $800. Under the law as it originally stood there was a recapture of that capital gain to the extent of the depreciation written off in the year in which the capital gain was made. Under this revision it is not necessary to open up income tax returns made for 1949 and 1950: half of that $800 write-back is apportioned to income, in equal proportions, for the first and the second year. This is added to taxable income for those two years, and the additional amount of tax which this would produce is the sum payable in 1951. In this way the taxpayer gets the benefit of varying rates of tax in the different years. If the transaction were effected in 1952 instead of 1951, the carry-back would be one-third, apportioned equally to 1949, 1950 and 1951; and if applied for

the year 1953, the carry-back of the amount to be written back to income would be one-fourth in each of the years 1949 to 1952. The section, therefore, is a relieving one, indicating a more expansive attitude on the part of those who formulate income tax policy. To use a well known expression, I would say to the author "More power to your elbow"—and I hope there will be a continuous movement in the same direction.

I have already dealt with section 16, so I need say no more about it.

Section 17 deals with trusts, and adds a subsection (4A) to section 58 of the Act. It provides that income received by a trust in the form of interest and dividends from a non-resident-owned investment corporation can be retained and accumulated by the trust without the beneficiary incurring liability for income tax.

Section 18 deals with service pay and deductions. Last spring, in dealing with income tax law amendments, I occupied possibly a page and a half of *Hansard* with an explanation of a method or a code for dealing with service pay and deductions. It has been found that the procedure, particularly as to the dollar-per-day credit which the soldier in foreign service is walking around with, presents all kinds of difficulties. Therefore section 18 repeals the provisions enacted last year, and enunciates certain principles and, gives power to the Governor in Council to provide by regulation for the computation of the tax, and so forth. Broadly speaking, the principle is this. If the soldier has no other income than his pay, he shall at the time of his enlistment furnish the paymaster with a statement showing what dependants he has, if any, and his statutory deductions; then, in the computation of rates, allowances will be made on the basis of a standard of donations, medical expenses, and the rest; his rate of deduction will be set; income tax will be deducted from each pay cheque before he receives it, and he will not have to file a return. If his annual income from other sources is in excess of $50 a return will be required. The principles to be applied divide this system into two compartments: one, the old compartment, relating to his service pay; the other, to his outside income, and with respect to the latter he will make a special return if such income exceeds $50. But the break he gets is that, for the purpose of computing the tax, outside income would be reckoned as though it were the only income he has, and would not reflect his service earnings.

Section 19 has to do with the personal corporation, which may be defined as a corporation controlled by one person, and whose source of income is financial. If a corporation is conducting an active business or manufacturing operations, it can always be removed from the personal classification. The object of this section is to make it clear that a personal corporation does not cease to be such because a man may turn his hobby, say farming operations, into a personal corporation in the hope of changing its category for tax purposes.

Section 20 is designed merely to make it clear that non-resident-owned investment corporations do not get the benefit of the 5 per cent deduction for taxes paid in the two "non-agreeing" provinces.

Section 21 clarifies the definition of a foreign business corporation, and there is nothing that I need develop in this respect.

Section 22 of the bill amends section 69 of the Act, which allows an employer, in computing income for the tax-year, to deduct special payments made on account of an employees' superannuation or pension fund in respect of past services. Notwithstanding the fact that a pension fund has been set up, the only way in which an employer can now provide additional money by way of past-service-benefits, and have the right to deduct it for income tax purposes, is to show that the fund is not actuarially sound. The new subsection (2) of section 22 of the bill authorizes an employer to deduct special payments made to a superannuation or pension fund if he feels that the benefits provided under the present plan should be increased because of present-day conditions.

Hon. Mr. Isnor: If an individual or firm has no superannuation plan, would any retiring allowance paid to a former employee be deductible?

Hon. Mr. Hayden: Our income tax laws provide that there must be an approved pension plan. Sometimes when employees have grown too old to render further useful service, their companies continue to pay them on the basis that this "extra remuneration" should have been applied during the period of their active employment; in other words as though these employees had not been paid sufficiently during the period of their active employment. I am just mentioning this fact by way of explanation, but I do not know whether the income tax authorities would be satisfied with that kind of thing.

Hon. Mr. Isnor: If a superannuation fund has been approved, could the individual or company add a further retiring allowance without obtaining additional approval?

Hon. Mr. Hayden: That is what section 22 covers. It broadens the basis upon which you can make a further contribution that can

be deducted, providing you have contributed a lump sum payment to take care of past services up to the date of the commencement of your plan.

Hon. Mr. Isnor: I want to have these questions on record so that the minister and his departmental experts may see them.

If this privilege applies to a firm which has a superannuation scheme and is permitted without further approval to make an additional contribution, why would it not apply to an individual or firm not operating with a pension plan?

Hon. Mr. Hayden: You are asking me a question on policy. All I can do is state the position as I see it. The income tax laws provide that in order to deduct contributions to a pension plan, the pension plan must be approved. According to section 69 of the Act, an employer who has made a special payment or payments to a superannuation fund in respect of the past services of employees may, in computing the income for the taxation year, deduct the lesser of—and the section reads:

(a) One-tenth of the whole amount so recommended to be paid, or

(b) the amount by which the aggregate of the amounts so paid during a period not exceeding 10 years ending with the end of the taxation year exceeds the aggregate of the amounts that were deductible under this section in respect thereof in computing the income of the taxpayer for the previous years.

As I said before, the only way an employer can add further money by way of past-service-benefits and deduct it for income tax purposes is to show that the pension plan is not actuarially sound. This section has been drawn up with the realization that living and social conditions have changed, and that what was thought to be adequate ten or fifteen years ago may not be adequate now. An employer is authorized to make an additional lump sum contribution, and to deduct it for income tax purposes. I can think of some obvious difficulties that would arise if this privilege were to be extended to somebody who has no pension plan. In the first place it would be much more difficult to supervise and control a plan that is not approved and in the hands of the income tax officials in Ottawa.

Hon. Mr. McDonald: By an approved plan does the honourable member mean a plan approved by the department?

Hon. Mr. Hayden: Yes, exactly.

Section 23 of the bill deals with section 73A of the Act, which is one of those so-called complicated sections. It deals with undistributed income on hand. The new sub-paragraph (iva) provides that certain corporations shall be allowed to deduct amounts taxed under section 97, subsection (3), in computing undistributed income on hand. This becomes important in the winding-up of a company; and if you want to take advantage of section 95(a) of the Income Tax Act, it becomes important to know what is the amount of income which can be earned to the end of December 31, 1949. The bill provides also for a number of additions to correct situations that may occur. For instance, subsection (8) of section 23 deals with personal corporations. The earnings of a personal corporation in the year are taxable in relation to the percentage of interest of the various shareholders, whether or not a dividend is paid out. But you may have a personal corporation that is not always a personal corporation, so you have a complication there. In arriving at undistributed income under section 73A of the present Act, the actual dividends paid are deductible. Dividends paid by a personal corporation are not. Dividends actually paid by a personal corporation are not deductible, because the earnings which support them have been taxed in the year in which they were earned. That is one of the handicaps, if you want to call it that, which you face when you choose to operate a personal corporation. The effect of the amendments in section 23 is to say that a personal corporation, in making its calculation under section 73(a) of the Act, should not deduct anything in excess of the actual dividends paid by it. A personal corporation may have several sources of dividends; it may have dividends from a capital surplus as well as from earnings. I do not think I would add anything of value by going back over the explanation that was given of section 73A when the original Act was before us, and tracing down all the deductions, for the amendment simply adds another item to the list in the section and qualifies that list.

Section 24 of the bill continues the exemption of mining companies from income tax for their first three years of production. The exemption, which is now applicable to mines coming into production up to the end of 1954, is extended to mines coming into production during the year 1955. It will be noted that sylvite mines are included among the mines entitled to exemption during this running-in period. I understand that sylvite is a form of potash, and though in some quarters it may be regarded as coming from

bedded deposits, income derived from its production will be entitled to the same exemption that now applies to the income of metalliferous and industrial mineral mines. In order to qualify for the exemption, an industrial mineral mine must be certified as such by the Minister of Mines and Technical Surveys.

Section 25 makes Crown companies subject to tax on income earned on and after January 1, 1952. The Crown companies concerned are those listed in Schedule D to the Financial Administration Act, namely:

Canadian Broadcasting Corporation.
Canadian Farm Loan Board.
Canadian National (West Indies) Steamships, Limited.
Canadian Overseas Telecommunication Corporation.
Central Mortgage and Housing Corporation.
Eldorado Mining and Refining (1944) Limited.
Export Credits Insurance Corporation.
National Railways as defined in the Canadian National-Canadian Pacific Act, 1933.
Northern Transportation Company (1947) Limited.
Northwest Territories Power Commission.
Polymer Corporation Limited.
Trans-Canada Air Lines.

For purposes of depreciation in computing income, the capital value of these corporations is taken as it appears on their books. That is, no attempt is made to go through the whole maze of accounting records, particularly those of the railways, and trying to establish what the real costs were. Subsection (3) of the new section 74A, at the bottom of page 16 of the bill, says:

> Where a corporation specified in Schedule D to the Financial Administration Act has acquired depreciable property before the commencement of the first taxation year commencing after 1951, . . . that property shall be deemed to have been acquired at a capital cost equal to the amount that, according to the corporation's books, was its value at the commencement of that taxation year.

On page 17 there is the new section 75, which deals with electric, gas or steam utilities. Some special provisions are extended to any company in that class that is selling its product to the public either directly or through a wholly-owned subsidiary. The section sets out rates of taxes applicable to the class A taxable income of the company, which is the income received from sales made to the public, and contains a formula for divorcing therefrom any other income which the company may have, on which it is not entitled to the benefit of the lower rates that apply to the class A income. The formula, which is spelled out in section 75, is not too complicated, but with permission of the Senate I will place on *Hansard* a memorandum showing how the formula would work out in a typical case.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hayden:

The Memorandum follows:

Taxable income	$20,000		
Tax at ordinary rates:			
$10,000 at 20 per cent...		$2,000	
10,000 at 50 per cent...		5,000	
			$7,000
Class B income is only $6,000.			
(a) Tax is		2,000	
(b) (i) Class B minus	$10,000	nil	
(ii) 43 per cent of Class A $14,000			
minus ($10,000-6,000)	4,000		
	$10,000	4,300	6,300
		Credit	700

Hon. Mr. Burchill: Does the section apply to telephone companies?

Hon. Mr. Hayden: No; it applies only to electric, gas or steam utilities.

Section 26 of the bill is one on which I do not need to spend much time. This is a procedural amendment made necessary because of some difficulty which the Exchequer Court found in dealing with an appeal. It restored the original assessment in a case where the taxpayer had succeeded on his appeal before the Income Tax Appeal Board. This amendment clarifies—or, at least, it is intended to clarify—the action that may be taken by the Exchequer Court in disposing of an appeal.

Section 27 of the bill is a clarification of section 95A of the Act, which deals with the tax on the undistributed income of a private company. Under the present section 95A a private company can elect to pay a tax of 15 per cent on the dividends declared and paid by it in 1950 and succeeding taxation years, and the amendment enables the company to do this in relation to dividends that have been paid in the taxation years concerned. That is, it removes the requirement that the dividends must have been both declared and paid in the same taxation years.

Subsection (2) of section 27 of the bill also seeks to clear up a difficulty. Where a mistake has been made, either for or against the taxpayer, in relation to the application of the 15 per cent tax, some doubt has been felt as to whether there was any right of re-assessment. That doubt is removed by the amendment.

Section 28 of the bill is just a clarification and is not important.

Section 29, is procedural. It makes clear that a garnishee for income tax owing may be served on a person under his business name at his place of business, or on an adult employee of the business.

Section 30 makes clear that a discharge of a mortgage over the name of an officer authorized by the Minister of National Revenue is a good and sufficient discharge. The need for the amendment arose in this way. Occasionally the department has accepted a mortgage from a person unable to make payment of a tax in money, and after the tax was paid the discharge of the mortgage was signed by a departmental official. A number of earnest solicitors in various provinces have questioned the validity of a discharge executed in this way, and the amendment removes any doubt that there may have been in the matter.

Section 31, subsection (1), defines "exempt income" and "farming". Subsection (2) of this section defines "blood relationship". One has only to read the subsection to get the import of it.

Section 32 of the bill is purely technical, and has to do with its interpretation. The amendment substitutes the words "a person" for the words "one person".

Section 33 provides that persons engaged in exploring and drilling operations may be allowed for expenses incurred in the 1955 operations on the same basis as for expenses incurred in the years 1951 to 1954.

Section 34 has to do with the operations of mining companies, and spells out their rights in relation to exploration and development. The section makes applicable to mining operations the same regulations which now apply to oil operations. This means that expenses incurred in connection with exploration and development can be carried forward to a year when there is an income against which those expenses can be set off.

In the main, honourable senators, I have covered the various sections of the bill, and while I have not attempted to give a completely exhaustive explanation, I think that under the circumstances it has perhaps been full enough.

Before I sit down I should like to throw out two thoughts which are not necessarily for immediate consideration, but can be brought up at some future date. We should be thinking about them, and perhaps the minister should know about them. The first is the recurring situation wherein a taxpayer who has made his return is reassessed on the ground that all his sources of income were not disclosed, that he wrongly interpreted some provisions of the law, or for some other reason which in the view of the department indicated that he had not paid enough tax. Upon reassessment the taxpayer resists the increase and is successful in having restored the amount declared in his original tax return. In such a case there is a strange anomaly, in that the expenses which the taxpayer incurs in proving his original income return to be a proper one are not allowed by the department as legitimate expenses deductible from income for taxation purposes. In such a case the Crown has challenged the propriety of an income tax return by an individual or corporation, and it seems to me anomalous that he should not be allowed to deduct the costs of defending his position.

Hon. Mr. Farris: Is that not a taxable item under the Exchequer Court Act?

Hon. Mr. Hayden: What I am saying is that for income tax purposes it is not allowed as a deductible item.

Hon. Mr. MacLennan: Are you submitting an amendment?

Hon. Mr. Hayden: No; I am merely calling the attention of the house to it.

The second point which I wish to raise at this time is the increasing prevalence—at least in my professional experience, and I am sure in that of others as well—of goods being passed for customs or excise purposes, and then a year or two later, after they have been processed and sold, the department deciding for some reason or other that perhaps the value of the goods was understated or that the value established for duty purposes was lower than the value of similar goods sold for home consumption, and that there should be a revision, of the customs or excise duty charged. It often happens that when an assessment is made in that manner and an additional amount is levied, it is too late to claim the increased duty as a deductible item from income tax for the current year. The department simply shuts the door, as it were, to a claim that the total customs duty is an expense.

I think the Senate should give some consideration to bringing about co-ordination between the various taxing authorities, whether they have to do with customs, excise, sales tax or income tax, so that the taxpayer will be in a position to claim credits to which he is entitled by way of business expense. I am assuming, of course, that the low customs assessment was not due to fraud or misrepresentation on the taxpayer's part. If it were, and he was faced with a supplementary customs levy, I would of course say to him: "You have made your bed; now whether or not it is uncomfortable, you must lie in it." There are, however, many instances in which no such misrepresentation or fraud is alleged, but in which, by reason of the lack of co-ordination between the various taxing statutes, the taxpayer is unable to claim his total operating expenses for income tax purposes. There

should be some means by which he could recover what he had lost in that manner.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: Honourable senators, I ask the house to permit me to interrupt proceedings to announce that we have in our gallery today two very distinguished visitors, in the persons of His Excellency Doctor J. R. M. van den Brink, Minister of Economic Affairs for Holland, and Madame van den Brink.

Hon. Senators: Hear, hear.

Hon. Mr. Robertson: They are visiting Canada at the invitation of the Canadian Government, and recently they opened the Canadian Trade Fair in Toronto. His Excellency enjoys the added distinction of having been an influential member of the Senate of the Netherlands, to which he was elevated at the relatively early age of thirty. Having left that body—which I suppose, like our own Senate, is no longer interested in political affairs!—for a political atmosphere, he may be a trifle disappointed at having been compelled, since he arrived in this country, to share his popularity with another, for His Excellency and Madame Vandenbrink have with them their three-year-old son, who, wherever they have gone, has "captured the show". However, they must bow before filial competition.

I hope they will take back to their homeland our very best wishes, together with a realization of our keen appreciation of them and their very great country, and of our pleasure and happiness to have residing with us in ever-increasing numbers so many of their excellent citizens.

Hon. John T. Haig: I do not intend to make a speech on the matter before the house. I am not in the same class as the honourable gentleman (Hon. Mr. Hayden) who has just explained the bill. As usual, he did a fine job. I knew he would, and I was so sure of it that on Monday, while in London, I promised several people that I would send them copies of this legislation and of the speech of the honourable senator. I told them that I would do so with reluctance, because I was sure that the citizens of London who read the bill and the explanation would have such a clear knowledge of the law that the legal profession would lose a lot of business.

In the last four or five years, under the aegis of some person responsible for income tax administration, the departmental reports following taxpayers' returns have been expedited to the degree that, if a return is presented in April this year, there will be received early next year, or before, a report from the department showing its determination of the assessment and generally what has been done about it.

I could make my point clear from personal experience. Some years ago, if an owner of land, instead of cropping it, put it in summerfallow, the government allowed him so much per acre for the summerfallow. Well, I owned land, and somebody bought it from me and summerfallowed it, and became entitled to $20. A departmental official searched the land titles office, and having discovered that the title was in my name, sent me the money. I asked my accountant "What is this for?" and she searched the records and said, "You haven't that land". I said "Who owns it?" She said she did not know, but the department had stated the land was in my name, and that was all they knew about it. We put the money into a special account, and some three years afterwards the department, having checked my returns, communicated with me and stated that I had not reported the receipt of $20. I said "I did not get it". The official answered, "Oh yes, you did, on a certain date"; and the cheque was produced. Three years having gone by, I could not remember anything about it, nor could my accountant; and there we were. I said I would not pay. They said "We will re-assess you". I said "Go to it, and you will hear about it in the Senate of Canada—and often". That might be called a threat; all the same, I used it. About four years afterwards, when they had got around to checking a farmer's account, they found that he had made a return showing the $20. He was asked "Where did you get it?" He said "I don't believe I ever got it, but I should have got it; I earned it". When he was asked with whom he had dealt, he said "I dealt with Mr. Haig". They told him he had better go to see me, so he walked in and said "You remember that land I bought from you many years ago?" When I said I did he asked, "Did you get $20 about four years ago?" and I said, "So you are the fellow who has caused me all this trouble! I should charge you about a hundred dollars in legal fees for having to defend myself against an iniquitous charge by the government". In any event, I gave him the $20, and presumably the government heard of it. But my point is that had my return been checked within a year there would have been no difficulty in tracing that amount. The department's official in Winnipeg is doing a good job and getting out assessments promptly, and this means very much to the public.

In this connection I think the Senate,—I except myself—deserve to be complimented. Some years ago we held an inquiry into income tax law and presented a number of

recommendations. At first the government refused even to consider them, but two years or so later they were adopted by the government, and among them was that most important provision for a right of appeal to a board. Nothing with which I have been connected while in Ottawa has given the province of Manitoba so much satisfaction as that piece of legislation. I congratulate the government for having adopted our recommendation, and I compliment the board on the way their work has been done.

I believe it is the intention to send this bill to committee. I have one suggestion to make, and while the request may be troublesome to the government leader (Hon. Mr. Robertson), I shall try to frighten him into accepting it. I believe that when this bill is considered in committee there should be a stenographic report. Lawyers, accountants and other interested people could get a written record of the questions asked by senators and the answers given by the departmental officials, and the material thus made available would be of great value in establishing a uniform system all over Canada. Printed and published, the proceedings could be circulated to superintendents of income tax in all provinces, and would provide them with a verbatim and authoritative statement of the law. I believe we did something of this kind about five or six years ago, and I remember that the department's representatives in Winnipeg thanked the Senate, through me, for having furnished them with a record which put beyond question the meaning of the various sections.

Hon. Mr. Robertson: In reply to the specific question of my honourable friend I can only say that the matter is one for the committee to decide. My personal attitude is much the same as that of Sir Wilfrid Laurier, who in replying to a request for financial assistance in a certain locality, referred to what he called the "well-known generosity" of his Minister of Finance, and said, "In the words of Scripture, 'Ask and ye shall receive' ".

I can add nothing to the explanation of the bill itself. Recently in a more or less general or abstract discussion of the handling of legislation in this house, and alluding to some inadequacies of explanation, I was careful to draw a distinction between my own explanations and those of others who assist me.

Hon. Mr. Burchill: Honourable senators, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 5, 1952

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

Prayers and routine proceedings.

CANADIAN FARM LOAN BILL

REPORT OF COMMITTEE

Hon. Mr. Vaillancourt presented the report of the Standing Committee on Natural Resources, on Bill 275, an Act to amend the Canadian Farm Loan Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources, to whom was referred Bill 275, an Act to amend the the Canadian Farm Loan Act, have in obedience to the order of reference of June 3, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave, I move the third reading now.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Fogo presented Bill F-11, an Act to incorporate the Canadian Shipowners Mutual Assurance Association.

The bill was read the first time.

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

Hon. Mr. Fogo: Next sitting.

STAFF OF THE SENATE

REPORTS OF INTERNAL ECONOMY COMMITTEE CONCURRED IN

The Senate proceeded to consideration of the second report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Paterson, Chairman of the Committee, moved concurrence in the report.

He said: Honourable senators, on December 14 last, the Prime Minister announced in the House of Commons the government's intention to authorize an increase in salaries in the Civil Service, and in the Armed Services and the Royal Canadian Mounted Police. Those increases, amounting to approximately 7½ per cent, were at once proceeded with and had effect from December 1, 1951.

As the temporary and sessional employees of the Senate and of the House of Commons do not come within the scope of the Civil Service Commission, equivalent wage benefits for those employees must be approved by the respective houses. Earlier this session the House of Commons revised the existing scale of wages by increasing by 50 cents per day all sessional and temporary personnel in receipt of $6 or over per day, with the pro rata increase for those receiving less than that figure. The Senate has always consistently followed the other house in such revisions, and the recommendations of your committee are based on parity or as near to parity as it is possible to get. The over-all average increase is approximately 7½ per cent.

The motion was agreed to.

THIRD REPORT

The Senate proceeded to consideration of the third report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Paterson moved concurrence in the report.

The motion was agreed to.

FOURTH REPORT

The Senate proceeded to consideration of the fourth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Paterson moved concurrence in the report.

He said: Honourable senators, this report recommends gratuities for two temporary employees.

This item is now a new practice for the Senate. In the House of Commons, however, it has been recognized for many years, the qualifying factors being a minimum service of ten years, one or more of which must be continuous. The basis of gratuity for male employees is $10 for each year of full-time service, and $5 per half year for sessional employees; female employees to receive benefits on a 50 per cent ratio, namely, $5 per year and $2.50 per session.

The motion was agreed to.

FIFTH REPORT

The Senate proceeded to the consideration of the fifth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Paterson moved concurrence in the report.

The motion was agreed to.

GOVERNMENT PROPERTY TRAFFIC BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill D-11, an Act for the control of traffic on government property.

He said: Honourable senators will recall that a question was recently asked by the honourable senator from Leeds (Hon. Mr. Hardy), and that some discussion was initiated by the leader opposite (Hon. Mr. Haig), in connection with the activities of the Standing Committee on Public Buildings and Grounds in relation to the rather vexed question of the regulation and control of vehicle parking on Parliament Hill. As was indicated at that time, some difficulty had been experienced in enforcing existing legislation, with the result that effective control and regulation of parking has ceased to exist.

Yesterday I presented a bill designed to deal with this problem. The explanation of the measure is as follows:

Provision for the regulation of traffc on government property is now covered by chapter 47 of the Statutes of 1930, which authorizes the Governor in Council to make regulations,

—for controlling or prohibiting the operation of certain vehicles in or upon any of the parks, roads, avenues and driveways which are situate on the property of His Majesty, and over which there exists no public right of way.

It will be noted that the power to make regulations is restricted to property "over which there exists no public right of way." This limitation has caused serious difficulty. For the example, if the roadways on Parliament Hill constitute a public right of way, there is no power under the statute to make regulations governing traffic upon them. On the other hand, if they do not constitute a public right of way, regulations can be made. Whether or not those roadways constitute a public right of way, is a difficult and complicated legal question, and one which could arise in any prosecution under the Act for an infraction of the regulations.

There seems to be no reason why the power to make regulations should be restricted in this way. Therefore, the bill would remove this limitation and empower the Governor in Council to make regulations for the control of traffic upon any lands belonging to Her Majesty in the right of Canada.

Normally, in order to prove ownership of land, legal agents would have to be employed to make a search, and title deeds or other documents would have to be tendered in evidence. This procedure is far too cumbersome and expensive for ordinary summary prosecutions. A clause is therefore inserted to provide that the production of a certificate signed by the Minister of Public Works, or certain other persons, shall be accepted as *prima facie* proof of ownership of the property described therein.

Another clause provides that the owner of the vehicle shall be liable for infractions of the regulations by other persons who are parking or operating the vehicle with the owner's permission. This provision is necessary to ensure enforcement of traffic regulations, and in particular those relating to parking, for it might be difficult, if not impossible, to prove who actually parked the vehicle. A provision such as this is common in traffic acts or traffic regulations.

Finally, the power to make regulations has been clarified, and maximum limits have been placed on the penalties that may be prescribed under the regulations. The present Act merely authorizes the imposition of penalties; but under this bill a maximum penalty of $50 or imprisonment for two months is prescribed.

Hon. John T. Haig: Honourable senators, I have the honour to be a member of the Committee on Public Buildings and Grounds, which when it met under the chairmanship of the honourable senator from De la Durantaye (Hon. Mr. Fafard) about three weeks ago, had an urgent problem to consider. Legal advisers were called in from the Department of Justice, and they told us that the regulations under the existing law are difficult if not impossible to enforce. For example, last fall a young man parked his car in one of the spaces reserved to the Senate. The police ticketed the car and brought him before the police court, and the magistrate held that no offence had been proved. I was deputed by the committee to see the Minister of Public Works, as these matters fall within his jurisdiction. He received me very courteously and stated that he had already asked for an opinion on the question of law involved. A few days ago, having received that opinion, he wrote me to the effect that he had been advised to institute legislation, and that he was doing so.

The issue is simple. Unless some of the land now under grass is used, there is barely enough room to accommodate even a limited number of senators, members of the House of Commons, departmental officials and members of the press gallery; and even with the strictest supervision and regulation, not enough space is available for all of them. The police, I think quite properly, have said that they cannot enforce the present law. The Sergeant-at-Arms is worried half to death. I agree with the remarks of the senator from Leeds

(Hon. Mr. Hardy) and the honourable senator from New Westminster (Hon. Mr. Reid): the situation is an unfortunate one.

It was originally intended that the parking site on the roadway fronting the buildings, near Wellington street, should be available for the cars of tourists visiting the Parliament Buildings. I do not know the views of other honourable senators, but I strongly favour amenities of this kind. It is all to the good that visitors shall have a convenient place to leave their cars while they are inspecting our buildings. To digress for a moment, I recall an incident two years ago when a family of Texans—a father and mother and two grown boys—visited our Parliament Buildings. It happened to be Civic Holiday, and as I was in the building—we senators who come from far away usually are around on holidays—I had the great pleasure of showing these people around. Since then we have carried on a correspondence, and I feel that as a result of that incident I have made friends for Canada, and I know that they have won a friend for the United States.

The question has arisen whether the grassed areas at the back and front of the main building should be used for parking purposes. I personally do not think they should.

Unless legislation of this kind is passed, all will be chaos. I have seen people who are not even employed on Parliament Hill park their cars on these grounds. The other day I saw a man who works downtown park his car on the Hill at about half-past eight in the morning. It was long after I had had my breakfast so I was around to see. Every time I went out of the building during the day I saw that car parked in the same spot, and at five thirty in the evening I happened to see the driver get into his car and drive away. I know that there was never any intention that this sort of thing should go on.

I am wholeheartedly behind this legislation, and I congratulate the Minister of Public Works for having had it drafted. If it does not work, we can amend it in the future. I think it is entirely in the interests of parliament that legislation to regulate the use of parking space around this and other government buildings should be passed.

Hon. R. B. Horner: While I agree that it is necessary to have a certain amount of control of these things, we must remember that all taxpayers in Canada should be equally entitled to park their cars around public buildings. They all share in keeping up this huge federal area. Personally, I think the broad cement walk leading up to and away from the main building could be utilized for parking; two rows of cars could easily be parked along its sides. While I do not think that the green lawns in front of the main building should be used for parking, I do think the grassed area behind the Senate Chamber could be used, and it would accommodate at least one hundred cars.

To my mind, it would be bad if the general public could say that we were simply trying to keep them from parking their cars on the "Hill". I do not feel that any person visiting a senator for an hour or so should be prohibited from parking his car somewhere on the grounds. We should proceed carefully in this matter and give further thought to providing additional parking space. Practically every person owns a motor car today, so it seems to me that a great deal more space should be put to use for parking cars around our government buildings.

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

THIRD READING

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

Hon. Mr. Robertson: I do not suppose there is any urgency. It could stand until the next sitting.

Hon. Mr. Roebuck: Why not pass the bill now?

Hon. Mr. Robertson: If that is the wish of the Senate, I would move, with leave, that the bill be now read a third time.

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

INCOME TAX BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill 205, an Act to amend the Income Tax Act.

Hon. G. P. Burchill: Honourable senators, I want to join with the leader of the opposition (Hon. Mr. Haig) in extending congratulations to the honourable gentleman from Toronto (Hon. Mr. Hayden) on the splendid presentation he made of this bill yesterday on the motion for second reading. I am quite sure that those who have tried to familiarize themselves with this legislation will agree that in many sections the wording is a decided improvement over that of the present Act, and will welcome this measure as a step in the right direction.

I moved the adjournment of this debate for the purpose of making a plea for the survival of the principle of private enterprise. I am

appealing on behalf of telephone companies, which have been excluded from the benefits allowed to other public utility companies under section 75. I think everyone will agree that the telephone is a necessity today, both in commercial and in social circles; in fact, in our present civilization it would be very difficult for the nation to get along without the telephone.

In Canada we have telephone companies which are privately owned and those which are operated by governments. The former pay taxes; the latter do not. While the privately-owned companies are quite willing to bear their fair share of the tax burden, I do not think they should be used merely as tax gatherers for the government. The 20 per cent surtax imposed last year created great difficulties for all privately-owned public utility corporations. The rates which these companies are allowed to charge are regulated by public utility commissions, and no company can change its rates without the sanction of the commission under whose regulations it operates.

Honourable senators will recall that last year we asked the minister to make an exception in favour of public utility companies whose charges were regulated, by allowing them to earn a fair rate on the capital employed before this 20 per cent surtax was imposed. We pointed out that in the United States there was a provision which recognized this principle, and that telephone, telegraph and air-line companies are allowed to earn 7 per cent on equity capital, retained earnings and borrowed funds, before the excess profits tax applies. We asked our government to do something in the way of giving similar lenient treatment to public utility companies in Canada. The minister advised that while he was sympathetic and appreciated our difficulty, his officials had been unable to devise any formula which was workable. He promised further consideration this year.

Honourable senators will note that this principle is recognized in section 75 of the bill, but to our dismay the leniency only applies to public utility companies distributing electrical energy, gas and steam. Telephone companies are not included.

It is on this point that I am making my protest, because I am wondering why telephone companies should be discriminated against and not placed in the same category as electric, gas and steam distributing companies. In the Maritime Provinces, Quebec Ontario and British Columbia the telephone industry is operated by private enterprise. The story of the New Brunswick Telephone Company can pretty well be duplicated by the companies in these other provinces.

In our little province of New Brunswick the present New Brunswick Telephone Company was built, organized and developed by the vision, pioneering spirit, hard work and courage of our forefathers. If we had not had individual enterprise in those days when the company was being developed, we would not have in Canada today, honourable senators, the things of which we are so free to boast. Those people invested their money—in some instances, their entire savings—in this telephone enterprise in New Brunswick, and throughout the years New Brunswick has been provided with telephone service and the investors have received a modest return on their investment. At the present time the company has 6,037 shareholders, and to show how widely the stockholdings are distributed over the province, I need only point out that 24·7 per cent—almost 25 per cent—of our shareholders hold between one and twenty-five shares, and only 3 per cent hold more than five hundred shares.

In 1948 this company was obliged to apply to the Public Utilities Commission of New Brunswick for the right to increase its toll and exchange service rates; and the right was granted, the increase becoming effective on November 1, 1949. This increase in rates was based on the cost of materials and on the wages and taxes then prevailing. We expected—in fact we assured the commission and our patrons—that no further increase would be necessary for a considerable period, even though it was apparent that we would have to expand our plant greatly in the immediate future. However, the imposition of the 20 per cent surcharge in last year's taxes has upset our entire calculations, because with that impost our total dominion and provincial income taxes, including the additional 2 per cent tax under the Old Age Security Act, now amount to 52·6 per cent of our earnings.

Just to show how taxes have increased in this particular industry I would like to point out that in 1947, five years ago, the tax per telephone in use in the province of New Brunswick was $5.84, while in 1951 it was $12.23. That is, out of every rental paid by telephone patrons in New Brunswick, $12.23 went for taxes. This adds up to these figures: The New Brunswick Telephone Company paid in taxes last year $957,000, of which $730,000 came into the federal treasury. That is the amount which the telephone users of New Brunswick contributed to the federal treasury. Telephone users of Nova Scotia, Prince Edward Island, Ontario, Quebec and British Columbia have contributed on a similar basis, and I am expecting that senators from those provinces will support the stand I am taking here. The voice of my honourable friend

from Halifax-Dartmouth (Hon. Mr. Isnor), for instance, is always heard on behalf of minorities and the downtrodden, and I am trusting in him to look after the interests of Nova Scotia, as I am trying to look after those of New Brunswick.

Hon. Mr. Roebuck: Can you give me the figures for Ontario?

Hon. Mr. Burchill: No, I am sorry I have not those, but I can get them.

Hon. Mr. Roebuck: I should like to have the breakdown as between the independent telephone companies and the Bell Telephone Company.

Hon. Mr. Burchill: Honourable senators will of course realize that the telephone company, like every other business, must pay a competitive rate for the money which it is using in its capital expansion. We cannot expect to induce people to invest their money in the telephone industry unless they are assured of a fair interest return. Consequently, shareholders must be paid a dividend which is sufficiently attractive as compared with the return from other opportunities for investment.

Of course, at present, when we are obliged to pay more than one half of our earnings to the government in the way of taxes, it is impossible to earn a sufficient dividend on our capital, and we are faced with the necessity of making another application to the Public Utilities Board of New Brunswick for a further increase in rates. In this connection I want to point out to honourable senators that in making the application it is not sufficient to ask for what would seem to be enough to meet our requirements: we are obliged to ask for double the amount, because more than one half the increase—52 per cent —would have to be immediately turned over to the federal government in taxes. That is a striking display of the spiral of inflation.

What I have told you about our experience in New Brunswick holds true for Nova Scotia, Prince Edward Island, and every other province in Canada whose telephone business is being conducted by private enterprise.

It is interesting to note that in its submission on taxation matters to the Ministers of Finance and National Revenue, the Canadian Chamber of Commerce made the following reference to this matter:

> In last year's Budget address it was proposed that certain types of companies would be allowed a measure of relief from the defence surcharge, in that the defence surcharge would not operate so as to reduce the net income of a company after federal tax but before any provincial income taxes to a point below a 5 per cent return on capital employed.
>
> This proposed relief was withdrawn, as it appears that a definition of capital employed satisfactory to the Minister of Finance could not be established. It is realized that there may be some difficulty in establishing a formula that would be equitable in all situations, but it is believed that consideration might be given to those companies whose revenues are regulated or by nature of their business cannot be expanded, in order that these types of companies may not be hampered in their capacity to earn their normal profits after tax.

Honourable senators, I hope that I have made my point clear. I appreciate very much indeed the action of the minister in giving special treatment to public utility companies distributing electrical energy, gas or steam —in other words, for recognizing the validity of the principle that we submitted to him last year—but, I submit, telephone companies are entitled to the same treatment.

Hon. D. MacLennan: Honourable senators, the last speaker expressed curiosity as to why telephone companies were not included within the provisions of section 75 of this bill. So far as Nova Scotia is concerned, I can give him the answer right away. In that province all that it is necessary for the telephone company to do in order to obtain an increase in revenue is apply to the provincial Utilities Board. That board has never been known to turn down an application for an increase in rates, notwithstanding the fact that in one small town that I know of there were on a single line fourteen subscribers, all paying a monthly service charge of $2 each.

If the Utilities Board in New Brunswick is of similar calibre to that of the board in Nova Scotia, I am not fearful that the telephone company in New Brunswick will suffer greatly because of not deriving any benefits under this bill. I have certain reasons for believing that I know why every application made to the Utilities Board is granted, but I do not need to state those reasons. Life is too short for that. To attempt anything like that would possibly make bad friends for me and not bring about any worth-while result. It seems to me that if the New Brunswick Telephone Company decides to apply to the Public Utilities Board of that province my honourable friend from Northumberland (Hon. Mr. Burchill) need not have any apprehension.

Hon. W. D. Euler: Honourable senators, at the outset I had no intention of saying anything on this bill, but my good friend from Northumberland (Hon. Mr. Burchill) has spoken so well and so convincingly that I am inclined to range myself on his side, at least for the moment.

My honourable friend, as he put it, has made a plea that nothing be done which would prejudice the survival of private industry as against publicly owned corporations.

For a good many years, when I was younger than I am now, I supported rather strongly the system of public ownership, and to some extent, though not as strongly as I once did, I still do. I believe that great public utilities which lend themselves to the development of monopolies and that sort of thing, should at least be under government control, if not government owned. But notwithstanding my belief in that principle, it is my view that a utility which is owned by a municipality or a province, or even by the federal government, should stand on its own feet and pay taxes in the same way as do privately-owned corporations. What appealed to me most particularly in the remarks of my friend from Northumberland, was the discrimination which he alleged, and which I assume he represented correctly. I can see no possible reason why a privately-owned telephone company in New Brunswick should be taxed, when a similarly-owned electric light company, or gas company, escapes taxation. It seems to me that when this bill goes to committee, as I suppose it will, a point such as this should be very carefully considered.

Hon. Mr. Vien: Honourable senators, is it the intention of the Senate to send this bill to a committee?

Hon. Mr. Robertson: Yes.

Hon. A. W. Roebuck: Honourable senators, were the bill before us to carry into effect the conditions which my honourable friend from Northumberland has so eloquently and forcefully placed before the house, I would have to refrain from voting one way or the other. I have acted for the independent telephone companies of Ontario, and may now be regarded, I think, as their counsel, and as such, I may be said to be personally interested in the question, in a remote way. But as the subject is merely up for discussion, I feel free to have my little say.

There are in Ontario approximately 400 independent telephone companies, and of course there is the great Bell Telephone system as well. As a result of legislation passed some years ago by the federal government, the Bell system was required to provide connections with all the independent companies, so that in a sense the telephone system of Ontario—and of other provinces—is one great unit. A person, by making use of the Bell Telephone lines can telephone from the smallest hamlet on one side of the province to the smallest place on the other side without being conscious that he is being served by a number of independent companies.

Although, as a result of the legislation I have mentioned, the system has become one great telephone exchange, the smaller companies, nevertheless, perform a function that otherwise could not be carried on by a large corporation. These companies are composed usually of merchants and farmers living in and near a town who join together in order to create for themselves a telephone service. They supply their own capital, and although small in figures, it is most important to them. Such independent groups have for some reason been overlooked in legislation and as of today a very small percentage of such companies have ever paid dividends to their stockholders.

I was in consultation only yesterday with a group of local people who have invested their funds in providing themselves with a telephone service. They do not even have an exchange; their lines are connected with the Bell exchange, which connects one party line to another and furnishes long-distance service. In fact, the only profits in connection with this operation are the long-distance tolls. My information is that for some ten or twenty years the stockholders of this small company have not drawn a dollar of dividends; but they have been under obligation to improve the system, with very little hope of accomplishing that end. Today they are short of capital, and the quality of the service is suffering; at the same time, there is little or no prospect of securing more capital, and they are faced with a most difficult situation.

This problem applies almost generally throughout the three or four hundred small independent telephone companies operating in Ontario. I regret that I did not know yesterday that this subject would be discussed today. Had I known, I would have attempted to provide myself with more statistics on the problem and I would have had a better idea of how much the telephone systems should be required to pay. But certainly, in any move to abolish discrimination against these companies, little or big—and that includes the Bell, because it is performing a great service—I would most heartily concur.

I congratulate the honourable senator from Northumberland on his clear thought and forceful presentation of this subject to the house.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Honourable senators, while listening to the remarks by the honourable senator from Northumberland (Hon. Mr. Burchill) and his very pertinent question, which requires an answer, it occurred to me that perhaps the debate should be adjourned

to permit the securing of an answer. But as I intend to move this bill to committee, it also occurs to me that my honourable friend and some other senators would like to have before them in committee the responsible officials from the Department of Finance, to whom questions could be put and from whom any relevant information could be obtained. I shall draw to the attention of my colleague the Minister of Finance the very pertinent point which has been raised, and ask that the committee, when it meets, shall have the opportunity of discussing it with his officials.

I therefore move that this bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

AERONAUTICS BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 194, an Act to amend the Aeronautics Act.

He said: Honourable senators, this bill is to provide for the zoning of airports. It contains provisions which empower the Governor in Council to make comprehensive regulations for the zoning of lands surrounding airports, for restricting the use of such lands, and for regulating and limiting the heights of buildings, other structures, and trees in the vicinity of airports.

I do not know that I need emphasize the growing importance of air travel, both civil and military, to the economy of this country. Canada, because of its geographical position, stands to benefit more than almost any other country from the development of quick and economical air travel. Neither do I need to emphasize the importance of safety in air travel, both for aviators and passengers and for the inhabitants of areas surrounding the airports from which passengers leave and at which they arrive.

This country has an extremely good safety record in the matter of air travel,—a record which I think is second to none. On the other hand, we are aware, from reports we have seen in the newspapers in the past few months, that some tragic accidents have occurred in the great and friendly country to the south of us, particularly in built-up areas close to and in the neighbourhood of airports.

I would ask my honourable friends, in considering this bill, to think for a moment of the physical aspects of the average airport. It is quite a large area, containing of course the hangars and other airport buildings, the roads leading to these structures, and at least two and sometimes more runways from which planes take off and on which they land, the particular runway used on any particular day being dependent upon the direction of the wind.

As honourable senators know, airplanes take off and land very gradually, and they fly low over the surrounding land. Therefore it is essential that there should not be in this area any structures—buildings, power lines, or anything of that kind—which would interfere with those operations. Indeed, one of the most essential features of every airport is, not the actual physical extent of the airport itself, but its relationship to the immediate surroundings, the area which is called the "aerial approach". This approach must be free from danger and clear of obstruction.

As I have said, the extent of this aerial approach to the actual land which must be protected in this way is very much larger than the area of the airport itself. On the other hand it is to be considered that the placing of an airport in a location which is usually close to some large city has, of itself and because of the manifold activities in which the airport engages, the effect of increasing the number of buildings in the immediate vicinity, both for residential purposes and, in many cases, for industrial uses. Therefore, for those two reasons—the need to have the aerial approaches clear and the fact that buildings in the immediate neighbourhood of airports are likely to be constructed very soon after the airport is constituted—the necessity of building regulations will be appreciated. During the war zoning regulations were introduced under the War Measures Act, but they are no longer in effect.

Legislation for the zoning of airports is in force today or is about to be enacted in nearly all civilized countries. It has been in operation for a number of years in Great Britain, and for a very long period in the United States, although, owing to the constitutional system of that country, the authority resides in the individual states rather than with the federal government. Nevertheless, I am given to understand that over the past few years there has been a good deal of progress in making uniform the State laws in connection with the zoning of areas surrounding airports.

Perhaps at this point I should say a word as to the constitutional position in Canada as it relates to the legislation now before us. Honourable senators who are members of the legal profession will recall a judgment of the Privy Council in, I think, the year 1931, in the Aeronautics case, which decided that, by virtue of section 132 of the British North America Act, the federal government had jurisdiction over aerial navigation. A much more recent case, with which I suppose the

honourable leader of the opposition (Hon. Mr. Haig) is familiar, originated in the province of Manitoba. It was the case of *Johanesson et al v. Rural Municipality of West St. Paul et al.* That case went to the Court of Appeal in Manitoba and later to the Supreme Court. It is reported at (1951) D.L.R., Vol. 4, page 609, and the head-note states:

> Aeronautics or aerial navigation is a matter falling within the exclusive legislative authority of the Dominion Parliament to make laws for the peace, order and good government of Canada and it includes within its scope the power to license, regulate and locate areodromes. Consequently, provincial authorizing legislation, and a municipal by-law passed thereunder, dealing with licensing and prohibiting of aerodromes are ultra vires. Moreover, the field has been occupied by the Aeronautics Act, R.S.C. 1927, c. 3.

As a result of the decision of the Privy Council in the Aeronautics case, and of the Supreme Court in the case recently before it, the Dominion Parliament is the only legislative body in the country which has the authority to enact such measures as we have before us.

I admit that legislation dealing with the zoning of property infringes in some respects upon the field of property and civil rights, which normally comes under the jurisdiction of the provinces. This infringement, however, is only incidental, and I do not think anybody would deny that in pith and substance this zoning relates to aerial navigation, which comes under the jurisdiction of the federal parliament.

This bill can be discussed more easily under two separate headings. First of all, it gives the government authority to make zoning regulations; and secondly, it provides for compensating owners whose properties are injuriously affected by such zoning.

The bill amends the Aeronautics Act, which is chapter 3 of the Revised Statutes of Canada, in so far as it relates to zoning. Section 4 of that Act contains a long enumeration of items affecting aerial navigation upon which the Governor in Council may make regulations. The first section of the bill adds to this list the power to regulate—and I quote:

> —the height, use and location of buildings, structures and objects, including objects of natural growth, situated on lands adjacent to or in the vicinity of airports, for purposes relating to navigation of aircraft and use and operation of airports . . .

Most of this is reasonably clear. Anybody can see the necessity of regulating the height and location of structures in the vicinity of airports; but one might ask why authority is given to regulate the use of structures within the vicinity of airports. The object of this is to prevent, for instance, the construction of a factory or foundry that might be expected to produce large quantities of smoke or fumes which would make atmospheric conditions dangerous and interfere with air navigation in that vicinity.

I would point out that any regulations made by the Governor in Council under the Aeronautics Act have to be published in the *Canada Gazette*, and be laid before parliament within ten days of the commencement of the next session. This bill provides for further methods of publication with respect to any zoning regulation that may be enacted. First, it requires such regulations to be published in at least two newspapers serving the area where the airport is situated, and secondly it requires a plan and description of the lands affected by the zoning to be filed in the local Land Registry Office, together with a copy of the regulations. In other words, provision is made for the widest possible notice being given to the public which is affected in any of these areas where regulations may be promulgated.

It may interest honourable senators to know what sort of zoning is contemplated if this bill is passed and regulations are adopted. The kind of regulation will, of course, depend a good deal on the local conditions at each airport, but it is intended first to make zoning regulations for the major airports which now serve transcontinental and international air travel of this country. They are seventeen in number, and I think all of them are owned by the government itself. The zoning regulations in respect to them will be substantially those which have been suggested for all countries by the International Civil Aviation Organization. This body, commonly known as ICAO, and having headquarters at Montreal, was established under the sanction of the United Nations for the purpose of attempting to co-ordinate the activities of all member nations in the matter of aeronautics.

The regulations for these large airports will follow somewhat along these lines. A zone will be created by drawing a circle with a radius of 13,000 feet from the centre of the airport, thus forming an area of approximately two and a half miles in each direction. No building or structure higher than 150 feet will be allowed within this zone. Special restrictions will apply to the areas within the zone which fan out from the ends of the various runways to the outer perimeter of the zone. Within these areas, known as flightways there will be two kinds of restrictions. First, the height. Structures there will be limited to one foot for every fifty feet of distance from the end of the runway. In other words, a building erected 1,000 feet out from the end of the

runway could not be more than 20 feet high, and a building 2,000 feet out not more than 40 feet high. The second limitation relates to the side of the flightway. Along the lateral slopes on each side of the flightway, structures will be restricted to 1 foot in height for every 7 horizontal feet out from the boundary of the flightway. In other words, a building 200 feet out from a side of the flightway could not be more than about 28 feet high.

Hon. Mr. Emmerson: May I ask my honourable friend a question? Is that distance of 7 feet or 50 feet for every 1 foot of height in the same plane as the runway?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Emmerson: That is important, because otherwise if the land sloped away from the runway the height of the building could exceed the restrictions mentioned.

Hon. Mr. Hugessen: Yes. Of course there will be particular regulations for each zoning area. If one can envisage an airport built on top of a hill, for example, one will see that high buildings could be constructed all around, provided they did not go above a certain height in relation to the flightway.

Hon. Mr. Roebuck: On the other hand, if there were rising land at the end of the flightway, the building might be a minus quantity?

Hon. Mr. Hugessen: Quite so. These matters are technical, and I am going to suggest that when the bill is given second reading it be referred to a committee. In that connection, perhaps I should state that yesterday I had the pleasure of an interview with Mr. Baldwin, Chairman of the Air Transport Board, who told me that his organization had prepared a three-dimensional plan of the Dorval Airport showing visually exactly how these zoning restrictions would work out with respect to that airport. If the bill is sent to committee that plan will be available for inspection by honourable members.

The second part of the bill—

Hon. Mr. Roebuck: Before the honourable gentleman begins to deal with the second part of the bill, may I ask a question? Perhaps the information that I wish to have has already been given, and been overlooked by me. What provision is there, if any, for compensating property holders in the immediate vicinity of airports or even in remote districts? Property owners always benefit from any advantages resulting from proximity to a government project, and if they suffer any disadvantage through that proximity they want to be paid for it.

Hon. Mr. Hugessen: The second part of the bill, to which I was just coming, contains provisions for compensating property holders who are injuriously affected by these zoning regulations. These provisions are in the new subsections (8) and (9), on page 2 of the bill. I am advised that these subsections have been inserted after a great deal of consideration by the various government departments concerned, for I am told that as a general rule compensation is not given in other countries for damages caused by zoning regulations. Certainly in the United States no compensation is allowed for such damage as may be sustained through the enforcement of zoning regulations. Therefore, in making these provisions we are to some extent breaking new ground.

Honourable senators will see from subsection (8) that compensation is allowed to an owner to the extent to which his property is decreased in value by the enactment of the zoning regulations, but he has to offset against that decrease in value any increase that occurs by reason of the location of the airport nearby.

Hon. Mr. Roebuck: That is, any increase that occurred in the value of the property after he became the owner of it?

Hon. Mr. Hugessen: After he became the owner of it.

Hon. Mr. Roebuck: Then I suppose if you have a claim against an airport for depreciation of your property, the thing to do is to sell the property to somebody else, and then he can start *ab initio*.

Hon. Mr. Hugessen: This principle of deducting from compensation the amount by which the value of the property has been increased is already contained in our statutes. Section 50 of the Exchequer Court Act reads:

> The Court shall, in determining the compensation to be made to any person for land taken for or injuriously affected by the construction of any public work, take into account and consideration, by way of set-off, any advantage or benefit, special or general, accrued or likely to accrue, by the construction and operation of such public work, to such person in respect of any lands held by him with the lands so taken or injuriously affected.

That provision will apply to any claim for compensation for lands injuriously affected by zoning.

The only other point to which I should direct the attention of the house is that subsection (9) fixes a time limit within which a person may make a claim against the government for damages under subsection (8). When the bill was first introduced in the other house this time limit was set at one year, but an amendment changed it to two years, and it is in that form that the bill

comes before us. In other words, the owner of property injuriously affected by a zoning regulation must launch his claim within two years after the regulation comes into effect.

I do not think there is anything else that I need say at this stage. If the bill is given second reading, I will move that it be referred for further consideration to the Standing Committee on Transport and Communications.

Hon. Mr. Fogo: Will my honourable friend permit a question? Is it intended that the regulations shall go so far as to cover the removal of existing buildings?

Hon. Mr. Hugessen: No. I am advised that there are very few, if any, existing structures which need to be taken down or removed, and if there are any they will be dealt with under the Expropriation Act or by negotiated sale.

Hon. Mr. Lambert: Is this legislation intended to apply to all classes of airports?

Hon. Mr. Hugessen: The intention is to have it applicable ultimately to all classes of airports, but for the time being only the principal ones will be affected. I am told there are more than 1,200 airports in the country.

Hon. Mr. Lambert: I mean, does it apply to military as well as civil airports?

Hon. Mr. Hugessen: Yes.

Hon. T. A. Crerar: Honourable senators, the measure which has been so well explained by the senator from Inkerman (Hon. Mr. Hugessen) will appeal to most members of this house as being a necessary one. In Canada we are still not far beyond the first stages of the development of air services. Legislation of this kind which is designed to protect the public by guarding against accidents is important, and should be placed on our law books as early as possible. Although we shall have an opportunity to consider the bill in detail in committee, I rise at this time to suggest to our colleague who explained the bill (Hon. Mr. Hugessen), that in addition to securing a map showing the effect of the proposed legislation on the airport at Dorval, he should also secure information from some source as to its effect on the Stevenson airport in Winnipeg.

Hon. Mr. Lambert: And the Rockcliffe airport at Ottawa too.

Hon. Mr. Crerar: In the light of the explanation, it occurs to me that the government might run into substantial claims for compensation in connection with the Stevenson airport. That airport, unlike many, which are not near large cities, was built close to the city. There is now a fully established community on the southerly side of it, as my honourable colleague from Winnipeg (Hon. Mr. Haig) well knows, and to the east of the airport there is a housing development as well as factories and other establishments under construction. It would be useful, I think, to know what effect the proposed regulations as outlined by the honourable senator from Inkerman would have on an airport of that type.

Hon. Norman P. Lambert: Honourable senators, I do not intend to detain the house more than a moment.

When the honourable senator was explaining the bill, particularly that part which dealt with the prohibition of the construction of buildings within a radius of 13,000 feet of an airport, I had in my mind's eye a picture of the airport in Rockcliffe, close to which some of us live. I cannot possibly see the plan outlined by my friend being applied for the protection of that area, which is now invaded every other hour of the day and night by jet planes and other high-powered aircraft, very much to the discomfort of everyone living in that part of the capital. True, the village of Rockcliffe is on a hill and the airport is down in a hollow, but small aircraft as well as four-engined planes have power enough to clear the trees in that area. Yet everyone who has lived in Rockcliffe and has watched the development of air operation there has been increasingly aware of impending trouble and danger. Time and again leading citizens in the village have brought this problem to the attention of the authorities.

I am pleased to see that there is now some recognition of the necessity of zoning of areas around airports. But when we talk about compensation for taking over of properties within two and a half miles of an airport—such as Rockcliffe, which is perhaps one of the most valuable residential districts in this country—we must realize that it would cost a pretty penny to carry out the proposed regulations. For my part, I would be quite willing to offer my place at a bargain price any time. Of course I cannot speak for my friends the senator from Rockcliffe (Hon. Mrs. Wilson) and the honourable leader of this house (Hon. Mr. Robertson); but neither of them lives as close to the airport as I do.

Hon. A. W. Roebuck: Honourable senators, this seems to be necessary legislation, and I welcome it; but I am a little troubled about the provision for compensation.

It is not very many years since the Malton airport was established in the vicinity of Toronto. At that time the area was farm land, and the price paid was the usual price for farm land adjacent to a big city. The airport was established, and there has grown

up around it quite a community. My impression is that that land, which was once sold by the acre at a moderate price, is today selling on the basis of 25-foot or 50-foot lots at prices which would be counted in the hundreds of dollars, if not in the thousands. I have in my mind two lots situated side by side in the neighbourhood of the airport I have mentioned. These lots have increased in value from, say, a few dollars to many hundreds of dollars, all by reason of the location of the airport. If the zoning regulations are enforced there would be, as I understand it, a depreciation in value; but that would be offset by the appreciation in value due to the location of the airport.

Hon. Mr. Hugessen: That is, since the owner acquired it?

Hon. Mr. Roebuck: With this further provision: that if there has been a change in ownership the appreciation is lost sight of. We are left with this picture: the first lot, let us say, was owned by one person from the start, and the second lot was purchased just prior to the passing of the regulation. That would mean that the owner of the first lot probably would not benefit to any great extent by reason of the fact that the appreciation would just be about as great as the depreciation; but in the case of the purchaser of the second lot, who might have got the property at a "wash sale," the appreciation will be lost sight of and he will get good dollars by way of compensation for the depreciation.

Why should the appreciation be lost sight of in the one instance and not in the other? It does not seem to add up; it does not seem logical or fair to the public. I think the value which the air enterprise has attributed to the land should remain, irrespective of who the owner may be, and regardless of whether the property has changed hands, even at a "wash sale", in order to show a right to collect depreciation. The two cases do not seem to be on all fours.

Hon. Mr. Hugessen: Of course, I think my honourable friend's concern is related to a case which is in effect a fraudulent sale.

Hon. Mr. Roebuck: It might be fraudulent, or it might not be.

Hon. Mr. Hugessen: Let him consider these two cases. In the first case the owner is a farmer; an airport is constructed in the vicinity, and his farmlands go up quickly in value. Zoning regulations are established, and the farmer claims that his land has depreciated in value. The answer to him under this legislation would be that his land had appreciated in value much more than it had depreciated. In the second case, an industrialist, for instance, has bought from that farmer a portion of his farm after the airport was established but before the zoning regulations came into force, and has done so at an enhanced price, with the intention of building a factory; and he is the man who would really suffer from the depreciation if, as a result of the introduction of zoning regulations, he could not use the land for which he had paid this enhanced price.

Hon. Mr. Roebuck: His claim would be against the original owner.

Hon. Mr. Hugessen: No: he has merely sold the land at X dollars.

Hon. Mr. Roebuck: He might be in the position illustrated by the case of the two men, one of whom bought bricks and the other straw. The straw burnt, the bricks did not. Each had bought his commodity subject to all its inherent risks, whatever they might be. The man who bought bricks did not lose; the man who bought straw, did; but nobody else would be expected to step in and compensate the man who bought the straw. The man who under the circumstances mentioned has bought property, even if he is buying out the rights of the vendor, should not by reason of his purchase acquire more rights than the vendor had to sell. That is what, under this bill, he would be doing; he would be acquiring more than the vendor had to sell. Why should a purchaser get more than a vendor has to sell, or why should he buy property subject to disabilities and escape them by reason of an over-generous act of this kind.

Hon. Mr. Hugessen: I think I shall have to leave the officers of the Department of Justice, who I am told laboured very hard over this section, to answer my honourable friend.

Hon. Mr. Roebuck: The mountain laboured and brought forth a mouse.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Hugessen: Honourable senators, I move that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

EMERGENCY GOLD MINING ASSISTANCE BILL

SECOND READING

Hon. John C. Davis moved the second reading of Bill 242, an Act to amend the Emergency Gold Mining Assistance Act.

He said: Honourable senators, the Emergency Gold Mining Assistance Act, which this bill amends, was first enacted in 1948. Its purpose was to assist Canadian gold mine operators to meet an unusual situation. This situation developed as a result of the operation of two economic factors, namely, a fixed price for gold of $35 an ounce in terms of the United States dollar and, on the other hand, steadily rising costs of supplies, equipment, labour and services.

Under the 1948 Act, what has since been described as the "cost-aid" program was instituted for a three-year period, to cover the calendar years 1948, 1949 and 1950. Although this program was not intended as a cure-all, it has undoubtedly served as a stabilizing influence and has contributed substantially toward enabling the eligible mines to continue in operation and to maintain the mining communities dependent upon them.

In 1950, following representations by the industry, the government decided to recommend the continuance of cost-aid for 1951. Conditions that led to this decision have persisted, and the present amending bill provides for the extension of the Act during 1952 and 1953.

The only other point contained in this bill deals with the clarifying of the application of the formula used in determining the amount of aid given to each of the mines eligible under the Act. Experience has shown that under the formula established by the 1951 amendment, some mines received less assistance in the last quarter of 1950 than was intended. By the proposed clarification, this situation would be remedied.

In October, 1951, Canadian gold producers were given access to premium markets for industrial gold. A number of mines are utilizing this opportunity, but the new outlet has not solved the problem facing mines having relatively high production costs.

The importance of gold mining to the economic well-being of the country need not be emphasized. Over a period of many years gold has been the chief single contributor to the value of Canada's mineral output. Even in 1951, when gold production was well below the peak reached in 1941, output of the metal was valued at nearly $160 million.

We are now witnessing in Canada a great up-surge of activity in connection with base metals. I mention this because it is the search for gold that has led to many, if not most, of the base metal discoveries made in Canada to date.

Although prospecting for gold is less active now than before the last war, it continues to be a chief contributing factor in the opening up of new areas for mineral development and the establishment of new communities. Accordingly it is considered by the government that the measure of aid provided by the Act is vital, not only to the best interests of the gold mining industry, but of the country as a whole.

I wish to emphasize that this amending bill does not deal with the broad considerations of national and international monetary policies, nor is it intended, as I have indicated, as a final solution of the production problems of the gold mining industry. Rather, it is for the purpose of giving emergency assistance to the industry over a difficult period, and of extending the opportunity of the qualifying mines to cope with and work out their problems.

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

REFERRED TO COMMITTEE

Hon. Mr. Davis: Honourable senators, I move that this bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

CANADA-FRANCE INCOME TAX CONVENTION BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill 289, an Act to amend the Canada-France Income Tax Convention Act, 1951.

He said: Honourable senators, a year ago a convention between Canada and France was entered into and duly signed, in Ottawa, by the diplomatic representatives of each country. The convention was approved by parliament and incorporated into our statutes, being Chapter 40 of the Statutes of 1951, which was assented to on June 30, 1951.

Under this convention it is provided that a French enterprise in Canada will be taxed with respect to its industrial, mining, commercial or financial profits to the extent only that these are attributable to its permanent establishment in Canada. There is a similar provision in relation to Canadian institutions in France.

This convention was never adopted and passed by the parliament of France, and in this connection I should like to quote what the French Prime Minister, who is also Minister of Finance, stated in the French National Assembly on May 9, of this year:

> The Convention signed between France and Canada on the 16th March, 1951, could not be submitted for the approval of the French Parliament because it was thought desirable, in advance, to complete and clarify certain of its provisions. However,

agreement on the matters in doubt can now be considered as having been definitely settled and everything will be done to complete the necessary proceedings for putting the Convention into force within as short a delay as possible.

This statement by the French Prime Minister is actually the reason why this bill is now before us.

The purpose of the bill is to approve a codicil to the Income Tax Convention signed last year between Canada and France. A new sub-paragraph (iii) will be added to paragraph 6 of Article II of the Agreement, and the present sub-paragraph (iii) of paragraph 6 will become sub-paragraph (iv). The amendment is to clarify and complete the definition of "permanent establishment", and the whole object of the legislation is to try to avoid double taxation of profits or any evasion of income tax on profits that may be made by an institution of one country located in the other.

To make this point clear, I should like to read the new provision to be added to Article II of the Agreement:

(iii) When a company of one of the states derives profits, in accordance with contracts settled in said state, from the sale of goods or merchandise kept in storage within the territory of the other state for the convenience of delivery and not for publicity purposes, such profits are not considered as resulting from a permanent establishment of the company located in the other state, notwithstanding the fact that offers of purchase have been collected by an agent who has transmitted them to the company for final acceptation.

If a French firm has a warehouse in Canada which contains French wines, or fine luxury textiles or perfumes—the three main items now coming into this country from France—and has a salesman here for the purpose of promoting the sale of the contents of that warehouse, the volume of business will not be subject to income tax. This is simply because the sale contract will be subject to approval and signing in France. Likewise, the business done by a Canadian institution having goods stored in a warehouse in France will not be subject to taxation, because the binding contract will have been initiated and signed in Canada.

Hon. Mr. Roebuck: Does this come under income tax?

Hon. Mr. Lambert: There will be no sales tax. The business done by each country in the other country will be free from taxation.

Hon. Mr. Roebuck: That is income tax, is it not?

Hon. Mr. Lambert: Yes, it is that part of the income tax that relates to taxes on profits of corporations. It is hoped that this legislation will promote trade between the two countries.

Hon. Mr. Haig: Could the honourable senator describe what goods we might store in a warehouse in France?

Hon. Mr. Lambert: I can answer that question by saying our exports to France far exceed our imports from that country.

Hon. Mr. Haig: Of what do our exports to France consist?

Hon. Mr. Lambert: Pulp and paper products and non-ferrous metals. Our export of newsprint to France has been greatly increased, and in the past we have sent a good deal of fruit, particularly apples, to that country. But that product has not been exported there in any large quantity lately. Most of the apples produced in the Maritime Provinces have been shipped to England.

Hon. Mr. Haig: Yes.

Hon. Mr. Lambert: British Columbia and Ontario, however, had a market for high grade apples in France.

The house might be interested in a few figures showing what the volume of our trade with France has been in the last year or two. In 1950 we exported to France goods of a total value of $17 million, and our imports from France were valued at $15 million. In 1951 our exports were $46 million, and imports $24 million. In the first three months of this year our exports amounted to $15 million, but imports declined to $4 million, largely because of France's shortage of dollars.

The important point to bear in mind is that during the war we lent France more than $200 million, and the annual interest on that loan is at least $8 million. The only way by which payment of that interest can be realized is through the importation of French goods; so any increase in this trade will be to the advantage of Canada as well as of France. I think the amendment to the convention will facilitate trade relations between the two countries.

This is really a diplomatic matter, rather than one of trade and commerce, for it has been the subject of definite understanding and signature between the French Ambassador in this country and our Department of External Affairs. We, agreeable to implementation of the amendment last year, had it incorporated in our statutes, but France did not take similar action at that time because of a desire to clarify the question of what is "a permanent establishment" and to overcome any possibility of double taxation.

If honourable members require further information they will be able to obtain it in committee.

Hon. Mr. Paterson: Has my honourable friend a breakdown of figures showing how much wheat and flour we exported in 1951?

Hon. Mr. Lambert: I have not got those figures, but they can easily be obtained.

Hon. John T. Haig: Honourable senators, I do not say that I am going to vote against this bill, for maybe we should pass it in order to help France; but my business sense has not been deceived a bit by the remarks of my friend the senator from Ottawa (Hon. Mr. Lambert).

The effect of the convention is simply this. The French will have salesmen here to sell goods as opportunity offers, and of course supplies of French goods will have to be maintained in warehouses here in order that reasonably prompt delivery may be made. Now, if that is not carrying on business dealings in Canada, I do not know what those words mean. The transactions are of the same kind as those carried on by any merchant. The senator for Ottawa, for instance, might have a manufacturing plant in Montreal and sales branches at Toronto, Winnipeg, and other centres. His salesmen at those centres would take orders for the sale of goods there. They might have to get in touch with their head office to have acceptance of the orders confirmed, but there is no doubt that my honourable friend would be doing business in those places where he maintained branches.

This requirement of the convention that orders must be sent to France is all camouflage, just nonsense. What do the businessmen in France know about sales that their representatives make here? If I were in business and one of those representatives got an order from me, he might go through the procedure of notifying his principals in France "I can sell John T. Haig certain goods, for cash, or on certain terms", and after getting formal approval of the sale he would make delivery to me.

I am not being fooled a bit by this convention. What we are doing, actually, is to allow French companies to sell goods in Canada at a profit, in competition with Canadian goods, and to escape taxes that Canadian companies have to pay.

The honourable gentleman pointed out what he called the benefits we would derive from France in return for the concessions made by this convention. I was careful to ask him about this. Now, the fact is that we do not need to maintain any warehouses in France for the storage of goods that we sell to that country. Metals, for instance, are in strong demand by France for its war production. Instead of needing space for the storage of supplies of metals in France, we have the problem of being able to supply France with all the metals it would take from us, and to get payment for the sales we make. We do not need to have a whole range of copper and zinc and lead lying around in storehouses in France waiting for someone to come to purchase them. Nor do we need to maintain any supply of pulp or paper in that country. All these commodities are in strong demand there. France would buy them from any other country than Canada that could and would sell them to her at a lower price. This is purely a business matter for her, but not for us. We can sell more goods of this class than we are able to produce. In fact, some companies have been required to place their shipments to various countries on a quota basis.

Please do not misunderstand me. I am not saying that I, a Canadian, am unwilling to vote for the amendment to this convention. But let no one ever say to me afterwards, "You voted for that treaty and did not know what it meant." I know what it means—at least I think I do. If I were a French manufacturer of perfumes I should like to see this bill pass, so that I could sell my perfumes in Winnipeg or Montreal.

Hon. Mr. Roebuck: Or in Toronto.

Hon. Mr. Haig: Or in Toronto. When the bill is passed the manufacturer's representative here will be able to make sales to retail or wholesale outlets. If he cables to Paris "I can sell $5,000 of perfume to So-and-so," he will only be fulfilling a requirement that is nothing but camouflage. The manufacturer in France will have to depend on the judgment of his representative here as to whether the credit of the purchaser is good or not.

Now, I do not know why we have to do this kind of thing at all. I do not know why we acted as we did in that wheat business with Britain. We pretended to make a deal with Britain and sell her wheat at the world price, when we knew all the time that we were doing nothing of the kind. We knew that we were losing a large sum of money. The other day in Brockville the Right Honourable Mr. Gardiner, the Minister of Agriculture, said that the loss was $300 million. His estimate was low, for we lost a lot more than that. If my friend from Waterloo (Hon. Mr. Euler) were in the chamber at the moment he would interrupt me to say that the rest of Canada gave the West $65 million, and I would repeat to him that our western farmers lost more than $300 million on that deal, which was undertaken on behalf of Canada as a whole. We should have said plainly to Britain "Canada is selling you this

wheat at a price which we know is $300 million less than we could charge you, but we want you to get the benefit." But because we did not express ourselves frankly, some "ginks" in Britain have said, "We put it all over the Canadians." They did not put it over us at all. We knew what we were doing. I am one who got up in this house and protested against the form of the wheat agreement with Britain.

Similarly, I am protesting against this convention with France, because I do not want business people in Paris to be able to say "Those Canadians must be stupid fellows to agree to an arrangement of this kind." If we want to give France money, if that is the proper thing to do, I am willing to vote for it, but I am certainly not going to sit silent here and not protest against legislation which I know means something different from what it pretends to mean.

I know that the bill is a government bill, and I would not ask supporters of the government to vote against the measure on my say-so. But I do protest against this kind of business. We do too much of it, and our taxes have become too high. My friend from Northumberland (Hon. Mr. Burchill) told us today about the high taxes on telephone companies. The tide of public patience is running out, and nonsensical arrangements of the kind that we have before us today are largely responsible. The sooner we Canadians realize that, the better for us. I may not have much ability as a businessman, but I at least know when the other fellow is "putting it over on me." I may be willing to let him do it, but I want to tell him that I know he is doing it.

Hon. Mr. Lambert: May I correct the impression my honourable friend has given, that war supplies are included in this measure? That is not correct. Any shipment of war materials to France is under a different arrangement entirely. Non-ferrous metals would of course be more in the line of farm implements and things of that nature, which have been going to France for years. I may say to my friend that a similar diplomatic arrangement exists between France and England, and we have precisely the same arrangement in a convention with New Zealand. It seems to me that all this fulmination about throwing our money away is ridiculous.

Hon. Mr. Haig: I would point out to my friend that he has already spoken on this bill.

Hon. Mr. Lambert: I am only replying to a question asked by the honourable leader.

Hon. Mr. Haig: I did not ask you a question.

Hon. Mr. Lambert: You are away off the mark.

Hon. Mr. Haig: I am not!

Hon. Mr. Lambert: You are a hundred per cent off.

The Hon. the Speaker: Honourable senators, the mover of the second reading of the bill has a right to close the debate.

Hon. Mr. Haig: But Your Honour did not say that.

The Hon. the Speaker: Perhaps I did not say it, but the honourable member still has the right to close the debate. As sponsor, he is the only one who can speak a second time.

Hon. Mr. Lambert: I am finished.

Hon. Mr. Isnor: Perhaps I may be allowed to ask a question.

The Hon. the Speaker: If the honourable gentleman wishes only to ask a question, that is all right, but the honourable senator from Ottawa (Hon. Mr. Lambert) has already spoken twice and closed the debate.

Hon. Mr. Haig: May I rise to a point of order? The senator from Halifax should perhaps ask for the consent of the house to speak. For my part I am quite willing that he should be allowed to speak.

The Hon. the Speaker: With the leave of the Senate, he may ask a question.

Hon. Mr. Isnor: Thank you. I had intended speaking very much along the same line as the honourable leader opposite (Hon. Mr. Haig); but at the same time I was wondering whether the interpretation I had placed on the proposed legislation was the correct one. I am particularly interested in the warehousing of foreign goods, and the effect of the convention upon them.

The Hon. the Speaker: May I ask the honourable senator whether he is asking a question or expressing his own thoughts?

Hon. Mr. Roebuck: May I say a word on the matter of the rules? Do not the rules of the house require that notice be given that when the mover of a motion speaks a second time he thereby closes the debate? In this case it seems that the honourable senator from Ottawa (Hon. Mr. Lambert) thought he was answering a question asked by the honourable leader opposite. That would hardly close the debate, unless the house has been notified to that effect. No such notice was given in this instance, and it seems to me that the debate is still open.

The Hon. the Speaker: The Senate has given leave to the honourable senator from

Halifax to ask a question, but he does not seem to be asking a question. He may now ask for leave to make a speech, if he wishes to do so.

Hon. Mr. Haig: Mr. Speaker, you perhaps misunderstood my suggestion of a few minutes ago. I suggested that the honourable senator should have the consent of the house to speak, and I said that personally I was prepared to consent.

Hon. Mr. Roebuck: Carried!

Hon. Mr. Isnor: Honourable senators, my remarks will be very brief. I was about to ask a question in my earlier remarks, but first I wanted to give the senator from Ottawa a little of the background.

I have in mind a warehouse in Canada which is controlled by people in France, and in which is stored linen goods, lace, and fancy articles of that nature, to be sold in competition with similar goods manufactured in Canada. On the one side the Canadian manufacturer would naturally have to pay income tax on his profits; but on the other, according to the interpretation of the bill given by the sponsor, the French warehouse owner would not pay income tax on the profits from any transaction which he had within a stated time. That seems clearly to be discrimination in favour of a foreign competitor, to the detriment of the Canadian manufacturer.

My question is this: Am I properly interpreting the terms of the convention in concluding that in the one case the French firm would not pay income tax, while the Canadian manufacturer would, over the same period of time?

Hon. Mr. Lambert: My understanding of this matter springs entirely from my reading of Article I of the schedule, which my honourable friend can read as well as I can. It makes reference to goods in storage, but does not necessarily mean in a warehouse owned by the French. It may be a rented warehouse in which the goods are stored. It is a well-known fact that quantities of French wines are stored in Canada for use here; but the point is, the storage places are not considered permanent establishments. It is on the basis of "a permanent establishment" that taxes would be levied on the business done. A sale legally takes place in Canada only when the contract is issued from Paris and is signed by the seller of the goods. The same conditions apply to a Canadian company doing business in Paris: it is a mutual and reciprocal arrangement between the two countries, for the convenience of exporters of goods. Any Canadian manufacturer of wines, say in the Niagara Peninsula—if anybody drinks that kind of stuff—undoubtedly has to pay taxes, while the French wine distributor does not. That is the situation.

Hon. J. G. Fogo: Honourable senators, if I am in order, it might be proper for me to point out that the seeming freedom from taxation does not exist. If I understand the situation correctly, the French merchant who has goods in Canada temporarily, and who sells them in any quantity, has his income taxed in France. In the same manner, a Canadian who does business in France will not be taxed in that country, but will pay taxes under the Canadian laws; and, if I am correct, under our income tax law he will get an allowance for any taxes he has paid abroad. So in the end it is probably immaterial from the standpoint of a taxpayer whether he pays the tax in France or in Canada. But I think you have to consider here that there is one vendor, who may or may not be subject to two taxes, depending on whether the transaction is regarded as taxable in Canada or taxable in France.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: In view of the interest which has been shown, I have no hesitation about sending this bill to the Committee on External Relations, if such is the wish of honourable senators.

Hon. Mr. Lambert: I move that the bill be referred to the Standing Committee on External Relations.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, all the items on our Order Paper have been dealt with, and I see no prospect of other legislation which is likely to require our immediate attention. I would remind honourable senators, however, that there is considerable work before the various standing committees, in particular, the Committee on Banking and Commerce and its subcommittee, which have been engaged in a long and detailed examination of the Criminal Code Bill. In this connection I wish to thank, on my own behalf and for the Senate as a whole, the honourable members from Toronto (Hon. Mr. Hayden), Toronto-Trinity (Hon. Mr. Roebuck), Vancouver South

(Hon. Mr. Farris), and the honourable leader of the opposition (Hon. Mr. Haig)—who has attended whenever his other duties permitted—for the time they have spent on this matter.

While I am anxious to expedite our business, I do not think it is necessary for the Senate to convene on Monday, but I hope that all members will be here on Tuesday afternoon, as I have arranged with the Minister of Health and Welfare to attend and explain Bill E-11, an Act respecting Food, Drugs, Cosmetics and Therapeutic Devices, of which I shall move second reading. Moreover, after I have conferred with respective chairmen, I hope to arrange for meetings of the standing committees on Tuesday morning, with a view to facilitating the consideration of some of the legislation which is before them.

The Senate adjourned until Tuesday, June 10, at 3 p.m.

55708—27½

THE SENATE

Tuesday, June 10, 1952

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

Prayers and routine proceedings.

EMERGENCY POWERS ACT

LETTER FROM GOVERNOR GENERAL'S SECRETARY

The Hon. the Speaker informed the Senate that a letter addressed to the Clerk of the Senate had been received from the Secretary to the Governor General, reading as follows:

May 30, 1952

Sir:

I have the honour to thank you for your letter of the 29th May with which you were good enough to enclose copies of an Address, in English and in French, of the Senate of Canada to His Excellency the Governor General, praying that sections one to three of the Emergency Powers Act be continued in force up to and including the thirtieth May, 1953.

This Address has been laid before the Governor General.

I note that attested copies of the Address have been forwarded to the Clerk of the Privy Council.

I have the honour to be,

Sir,

Your obedient Servant,

(Sgd.) J. F. Delaute
Secretary to the Governor General
(Administrative)

Clerk of the Senate and
Clerk of the Parliaments,
Ottawa, Ontario.

CONSUMER CREDIT (TEMPORARY PROVISIONS) ACT

LETTER FROM GOVERNOR GENERAL'S SECRETARY

The Hon. the Speaker informed the Senate that a letter addressed to the Clerk of the Senate had been received from the Secretary to the Governor General, reading as follows:

Ottawa, 4th June, 1952

Sir,

I have the honour to thank you for your letter of the 3rd June with which you were good enough to enclose copies of an Address, in English and French, of the Senate of Canada to His Excellency the Governor General, praying that the Consumer Credit (Temporary Provisions) Act be continued in force until the thirty-first day of July, 1953.

This Address has been laid before the Governor General.

I note that attested copies of the Address have been forwarded to the Clerk of the Privy Council.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) J. F. Delaute
Secretary to the Governor General

Clerk of the Senate and
Clerk of the Parliaments,
Ottawa.

EMERGENCY GOLD MINING ASSISTANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Vaillancourt presented the report of the Standing Committee on Natural Resources, on Bill 242, an Act to amend the Emergency Gold Mining Assistance Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources, to whom was referred Bill 242, an Act to amend the Emergency Gold Mining Assistance Act, have in obedience to the order of reference of June 5, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill G-11, an Act for the relief of Marie Jacqueline Michelle Major Valiquette.

Bill H-11, an Act for the relief of May Clara Taylor Di Biasio.

Bill I-11, an Act for the relief of Regina Joan Lee Mills.

Bill J-11, an Act for the relief of Violette Chartrand Fairon.

Bill K-11, an Act for the relief of Doreen Elizabeth Lawton Batty.

Bill L-11, an Act for the relief of Norma Meldrum Drysdale McGown.

Bill M-11, an Act for the relief of Jean Elizabeth Wood Jackson.

Bill N-11, an Act for the relief of Louisa Ryan Heke.

The bills were read the first time.

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

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

FOOD AND DRUGS BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill E-11, an Act respecting food, drugs, cosmetics and therapeutic devices.

Hon. Paul Martin, M. P. (Minister of National Health and Welfare). Honourable senators, in speaking to the second reading

of this bill, I may say at the outset what a great privilege and honour it is for me for the first time to find myself speaking in this place about a bill that may possibly lack many of the exciting qualities of other legislative projects, but the importance of which in terms of its usefulness to the nation, will not for a moment be doubted.

This bill seeks to provide for a revision and a consolidation of the existing Food and Drugs Act, a measure which has been on our statute books since 1874, and which is looked upon by most countries in the western world as having set the pattern for food and drug administration and legislation.

Amongst other things, this bill attempts to define a drug more realistically. Under the existing Act any therapeutic device, or a cosmetic, is included in the term "drug". That is not only linguistically wrong, but from the point of view of experience of administration its retention would be unwise. Every food consumed or offered for sale for consumption in this country is in some way affected by this Act. We have throughout the country a number of inspectors whose job it is, with regard to food produced in as well as food imported into Canada, to ensure by examination that certain qualities and certain standards are maintained, and that no adulteration exists in food offered for sale.

Apart from the effort at consolidation and more orderly arrangement of sections, the main changes which the bill would make are to provide for the keeping of pertinent records by manufacturers, and the prohibition of the sale of foods, drugs and cosmetics that are packaged or stored in an insanitary place or under unsanitary conditions. Honourable senators may be particularly interested in a new feature which provides, for the first time, for the use of the judicial process in the forfeiture of any article which may be deemed by a dominion analyst not to conform to the provisions of the Act.

At the present time the powers of the minister under the Act are very great, and it has been felt for some time that there should be a limit to his ministerial powers, and that any interference with the use of property should be only after the exercise of the judicial process. For instance, it frequently happens that goods of very great pecuniary value are seized, and forfeiture ensues, not upon the ruling of a court but, first, through seizure by an inspector and a report by a dominion analyst, followed by the decision of the minister in the exercise of his discretion. It has been thought that hereafter, except by the consent of the owner, no forfeiture of goods should take place unless there has been a determination by a judicial officer as to whether or not the goods are in conformity with the Act, and as to whether under the circumstances the forfeiture should be undertaken. I think that is an important change in our food and drug administration. It follows what is called the "due process of law" clause in the corresponding Act in the United States. At the present time the minister's power is very great. If the dominion analyst thinks that a particular food, whether made in this country or elsewhere, is adulterated and that its qualities and standards do not conform to our regulations, he makes a certificate to that effect, and the minister orders the forfeiture. In one case within my experience the forfeiture involved as much as half a million dollars. It is proposed in this legislation that disputed forfeitures shall be dealt with by judicial action.

Honourable senators, it is not the wish of the government that this legislation should be finalized this year. An Act such as this depends for its successful operation on the collaboration and co-operation that it receives from industry generally. Our attempt has been not to coerce but to co-operate with industry. We would want to make sure, therefore, that some of the changes that we have in mind are satisfactory to industry or, at any rate, that industry shall have an opportunity of knowing what we intend to do and of testing the wisdom of our proposals. I hope that it may be possible for you to use the mechanism of a committee to afford industry and others concerned an opportunity of making representations as to the proposals that have been put forth in this legislation for the protection of the Canadian consumer, and that consideration will be given later to the question of whether the legislation should be adopted in its entirety or modifications should be made.

In speaking to the second reading of this bill I should like to assure this house that I speak to a measure that means a great deal not only to the relations between our department and industry, but towards maintaining the high quality and high standards that goods produced in this country are known to enjoy among the other nations of the world. This is an unexciting but extremely important measure.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, may I first of all congratulate the distinguished member of the government (Hon. Mr. Martin) who has just explained this measure. He has given the kind of explanation I like. I had thought that the government intended to finalize this legislation at

this session, but I am pleased that the minister would like to see it go to a Senate committee for study. Speaking for the house, I can assure the minister that this legislation will receive the most earnest consideration at the hands of whatever Senate committee it may be referred to. We shall give every opportunity to persons who wish to be heard. Further, we shall seriously consider any representations that are made to us, but shall always keep in mind the fact that we, like the members of the other house, represent all the people of Canada, and from that standpoint we shall judge the legislation.

Hon. R. B. Horner: Honourable senators, I hesitate to say anything on an occasion of this kind, but I notice that the bill has something to do with food, and I have one or two remarks to make on that subject. I think that the trouble with a large proportion of our young Canadians today is that they are half starved, and I am wondering if it would not be possible for the minister to have included in this bill, or another bill, a requirement that a minimum number of ounces of bread be served to a workingman at a meal. One who moves about the country as I do cannot help noticing the kind of food that is served in many public places, such as restaurants and on railroad dining cars. I often wonder just what the bakers do to our good Canadian wheat in order to produce the kind of stuff that is called bread nowadays. When I was a young man going about from one place to another and working hard, I would eat a full-course meal, sometimes composed largely of meat, three times a day. But today many people, especially those who eat in public places, cannot afford a full-course meal. Look at the prices charged for eggs! Though farmers have been selling them for as low as 14 to 17 cents a dozen, the charge for a single egg in the dining cars of our own railroad is 25 cents. This is a condition that I think will have to be remedied in the interest of the health of our people.

Hon. Mr. Reid: Would the minister allow one question? Does he think it is in the interest of health to permit the manufacture in Canada of some drug or device which authorities in his department consider detrimental to the health of the people of Canada, but which under this Act may be exported to other countries? I notice that section 30 of the bill permits of the exportation of drugs and devices which cannot legally be consumed in Canada.

Hon. Mr. Martin: Honourable senators, the problem there arises because of the fact that the definition of the word "drug" includes a cosmetic or a therapeutic device. When the word "drug" is used in the section of the Act to which the honourable senator has drawn my attention, it will have reference mainly to something that is not necessarily a drug. If the honourable senator has in mind a specific drug, as such, and not a therapeutic device or a cosmetic, I should be very glad to have the name of that product, because certainly the intention is not to allow the export from this country of a drug, as such, that is regarded here to be contrary to good health or what is needed for the proper functioning of the human body.

Hon. Mr. Reid: I thank the minister for his answer. I had in mind not only drugs but packaged foods. If food is not considered fit for consumption in Canada, should we allow it to be shipped abroad?

Hon. Mr. Martin: Foods are in another category. Our standards of quality in this country are higher than those in any other country in the world, except the United States, where the standards are pretty much the same as our own. But there are countries that do not require the same degree of quality and purity that we require in this country. Adulteration of itself is not necessarily a source of bad health. A food may be adulterated, in the sense that it does not come up to our high standards, without being in any way injurious to health. It is only because we are using the Food and Drugs Act for the purpose, among other things, of raising the quality of our foods, that we insist on certain standards of quality and purity of foods, irrespective of health hazards which are dealt with separately. For instance, we import a lot of dates from certain countries, and we do not allow their entry if a certain percentage of adulteration is present. But if we ourselves were producers of dates there would be no reason why we could not ship to another country dates containing a larger percentage of adulteration than is permitted here, if the laws of that country did not forbid such import. Of course, if food is of such a quality as to be injurious to health, that is a different matter.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Standing Committee on Public Health and Welfare.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. Gordon Fogo moved the second reading of Bill F-11, an Act to incorporate the Canadian Shipowners Mutual Assurance Association.

He said: Honourable senators, you will have noticed that this is a bill to incorporate an insurance association or club, which will operate on a mutual basis, for the particular purpose of taking care of what is known as war risk insurance on Canadian ships. The incorporators are representative shipowners, and if the association is incorporated, membership in the association will be open to all shipowners in Canada.

During the war most privately owned Canadian ships were insured in one of the United Kingdom associations or clubs, which instead of retaining the risk secured reinsurance from the United Kingdom Government on a premium basis. In the early part of the war the British Government provided reinsurance on the basis of 80 per cent of the risk; later this was increased to 96 per cent.

That practice continues, but from the standpoint of Canadian shipowners there are certain objections to participation in United Kingdom underwriting transactions. These are: (1) the insurance values fixed by the British Government are generally considered insufficient according to Canadian standards; (2) there is no provision for excess insurance; (3) in the event of loss, a portion of the proceeds is retained in the United Kingdom until replacement is effected. As a consequence of these restrictions, if I may call them that, the majority of Canadian shipowners procure marine insurance and war risk insurance in the open market, where underwriters will not accept coverage for more than three months, and then only on policies which are subject to what is known as the "forty-eight-hour" clause. This clause provides that in the event of an outbreak of hostilities underwriters can give shipowners forty-eight hours notice to terminate the insurance or to re-insure at a premium to be agreed upon at a rate much higher than ordinary.

Some time ago the Canadian shipowners took this matter up with the Maritime Commission and, in turn, with the Department of Finance of Canada. An official of the department who was in the United Kingdom at the time was therefore able to confer with the operators of the United Kingdom club or the United Kingdom association. An opinion was obtained from the leading authority in England, Mr. Dawson Miller, who is the senior partner of a firm which, in turn, manages the United Kingdom association. Mr. Miller was of the opinion that a Canadian club would be feasible, provided sufficient support was obtainable from Canadian shipowners and satisfactory re-insurance was available through an agency of the Canadian government.

The matter was followed up at a meeting held in November of last year under the auspices of the Maritime Commission. At that meeting there were present representatives of the Marine Insurance Advisory Committee, the Maritime Commission, the Eastern and Western Shipowners Advisory Committee, and some others. At this meeting it was made known that the Canadian government was prepared to negotiate a reinsurance agreement with a suitable mutual association of Canadian shipowners. There was one proviso; that the association must obtain highly skilled and fully experienced management for its operations.

Such an operation in Canada has been considered desirable for two reasons. First, financial security would be provided through a government agency, and second, the association and its operations would be located in Canada and the insurance value would be determined on a Canadian basis.

Mr. Miller attended the meeting to which I have referred, and indicated that he would be willing to lend his services in organizing the association. He also undertook to provide one or more members of his London staff on a permanent basis, for the newly incorporated association. It was his opinion that the association would require support from the Canadian shipowners, by way of participation or insurable value, to the extent of approximately $100 million. A canvass of shipowners recently made indicated that insurable value to at least $112 million would be available.

The association will have a board of directors, composed of Canadian shipowners.

I should perhaps have pointed out earlier that the government reinsurance provisions will be embodied in legislation to be presented to the other house this session. It will provide only for the reinsurance of war risks.

In other respects the bill contains the usual clauses for the incorporation of such an association. It has been examined by the officials of the Senate, and will in due course be referred to a committee for further examination.

Hon. Mr. Roebuck: What capital does the association have?

Hon. Mr. Fogo: It is purely a mutual organization. The shipowners are the members of the association, and they will contribute to the extent of the insurance which the association carries.

Hon. Mr. Roebuck: Has the association no working capital at all?

Hon. Mr. Fogo: Apparently not.

Hon. Mr. Roebuck: Then how does it meet its office expenses?

Hon. Mr. Fogo: Premiums are payable in advance, I understand.

Hon. Mr. McDonald: Where do you get the figure of $112 million?

Hon. Mr. Roebuck: Does this business come under the control of the Insurance Department?

Hon. Mr. Fogo: Yes. I neglected to say that conferences have taken place on this legislation with the Superintendent of Insurance, the Department of Finance and the Maritime Commission.

The honourable senator from King's (Hon. Mr. McDonald) asked where the figure of $112 million came from. I said earlier that a canvass of Canadian shipowners indicated that the volume of insurable value available to participate in the venture up to the present time was known to be $112 million, which is somewhat more than the minimum indicated by Mr. Miller, upon which the association could start.

Hon. Mr. Lambert: How many members are represented by that sum of money?

Hon. Mr. Fogo: I have not that exact figure; but I think that practically all the independent deep-sea shipping interests in Canada were represented at the meeting to which I referred.

Hon. Mr. Euler: How would the association pay its early losses, if it had no working capital?

Hon. Mr. Hayden: They could not have losses until they had premiums.

Hon. Mr. Haig: I must object, Mr. Speaker. My honourable friend should ask his question so that we on this side of the house can hear it.

Hon. Mr. Euler: I am sorry; I directed my question to the gentleman who was explaining the bill. I wanted to know how losses could be paid without working capital, or before premiums were built up?

Hon. Mr. Roebuck: I was curious to know how the association would pay its ordinary expenses. I hope, for instance, that the solicitor who drew this bill will get paid. How will the stenographers be paid?

Hon. Mr. Haig: Do not worry about the solicitors.

Hon. Mr. Davis: Would not the answer be that all members of the association would become co-insurers to a certain amount of value; the association could operate on a mutual basis without working capital, and in that way meet its early claims.

Hon. Mr. Baird: Similar to Lloyds, I presume.

Hon. Mr. Lambert: May I ask the honourable senator if he regards the organization which this bill would create as one calculated to encourage the development of the shipbuilding industry in Canada, which really has been within the purview of the Maritime Commission?

Hon. Mr. Fogo: I think that, indirectly, such would be the effect, in so far as the bill assures or renders more practicable the operation of ships in Canada by Canadian ship owners.

Hon. Mr. Lambert: The standard of value, too, would be set on a Canadian basis.

Hon. Mr. Fogo: Oh, yes.

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

REFERRED TO COMMITTEE

Hon. Mr. Fogo: Honourable senators, I move that this bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Before the House adjourns, I would remind honourable senators, that the Banking and Commerce Committee will meet immediately after the Senate rises. The committee has before it a very considerable amount of important legislation, and I bespeak for the meeting the usual good attendance.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 11, 1952

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

Prayers and routine proceedings.

CANADA-FRANCE INCOME TAX CONVENTION BILL

REPORT OF COMMITTEE

Hon. Mr. Lambert presented the report of the Standing Committee on External Relations on Bill 289, an Act to amend the Canada-France Income Tax Convention Act, 1951.

The report was read by the Clerk Assistant as follows:—

The Standing Committee on External Relations, to whom was referred Bill 289, an Act to amend the Canada-France Income Tax Convention Act, 1951, have in obedience to the order of reference of June 5, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave, I move the third reading now.

Hon. John T. Haig: Honourable senators, I shall not take up much of your time.

I objected to this bill on the motion for second reading, and, having listened to the dissertation in committee, object more strenuously now. Our income tax conventions with the United States, Great Britain and Sweden are all on the same line as this one. All of them, including the one before us, provide for deduction of 15 per cent in respect of certain transactions, but under the terms of this agreement, a French firm having a warehouse in Canada, so long as its sales contracts are subject to confirmation in France, is assumed to be doing business in Canada. I object to that provision. The best explanation we could get this morning was that the object of the French government in securing this provision was to enable French wine manufacturers to send their products to Canada and to hold them in warehouses here for distribution, thus—contracts of sale having to be approved in Paris, and no business actually being done in Canada—escaping the 15 per cent tax. In reply to my objection, members of the committee stated that a similar right was accorded to our exporters. But it is to be pointed out that our commodities saleable in France are not of the same kind as those that come here from France. We sell minerals, and we do not stock them overseas. We can sell them anywhere and our customers must buy from us, so that there is no advantage in our keeping a stock overseas.

The purpose of international agreements is to prevent fraud between the traders of different countries. If the agreement we entered into with the United States, Great Britain and Sweden was good enough for those countries, I cannot see why we should now allow a legal fiction to slip in whereby, because a sale contract must be confirmed in Paris, the goods exported here and warehoused here are not to be subject to income tax. If anybody wants to buy liquor from France, the matter of confirmation is of no importance; and there is no doubt that these deals are for cash. Whether they are entered into by the government of Manitoba or of Quebec or any other place, confirmation is a mere formality. In any event I object to having one kind of income tax agreement for one country and another kind for another. This kind of an agreement will lead to fraud, and neither the merchants in Canada or in France will be any further ahead. The Canadian merchant will pay 15 per cent in Canada, and he will get a 15 per cent reduction in France, and vice versa. Why the fiction? I cannot see who benefits at all, except that the government of France wants to take that much more money.

The honourable senator who presented the report (Hon. Mr. Lambert) said in committee that we had lent money to France and that she required more money from us in order to pay the interest on what she had borrowed. That is not the way it should be. If we loaned money to France she should pay it back. If we want to give her money, that is a different thing. I have no objection to lending money to any of the European countries which are having such a desperate time at present, but I do not believe that through any form of camouflage we should allow one country to avoid paying taxes when we ask other countries to pay them. I object to the legislation on this ground and not on any business principle; I like to do business in the same way with all countries.

If we agree to this convention, countries like Sweden will want the same arrangement. Our government confirmed an agreement a year ago, as did the United States, Britain and Sweden, but the French parliament refused to confirm it because it wanted this codicil added. The Government of France asked for this codicil because it did not wish to have its merchants pay any taxes to Canada.

I am opposed to the ratification of this measure, and although I am not going to ask for a vote I do want to make known my personal views on the matter.

Hon. Mr. Lambert: Honourable senators, in all fairness I think it should be said that this measure is purely a device to avoid double taxation or possible tax evasion.

Hon. Mr. Haig: No, no.

Hon. Mr. Lambert: If there is any advantage to be gained at all, it will come to Canada, because our exports to France far exceed our imports from that country. This is just a convention between the two countries to avoid the possibility of double taxation in assessing income tax on the profits of corporations. The Canadian firms that ship goods to France pay the corporation tax on the profits they make in this country, whether the goods are produced for domestic consumption or for export; similarly, the French firms that sell wines, perfumes or high grade textiles in this country, pay an income tax in France. This is purely a device or instrument for the purpose of making quite clear that in neither country there will be double taxation against nationals of the parties to the agreement.

Hon. W. M. Aseltine: Honourable senators, I disagree entirely with the statement just made. There is no question of double taxation here at all. A Canadian merchant, in order to benefit by this treaty would have to have a warehouse in France; and when his representative there got an order for goods stored in the warehouse he would have to communicate with his principal here, and obtain his approval of the order. When all that was done it would be said that the contract was made in Canada, not in France, and therefore any profit on the transaction would benefit from the tax exemption under the convention. And under this convention a French merchant who wishes to trade in Canada will have his goods stored in a warehouse here, and when his representative receives an order for goods anywhere in this country he will communicate with the French merchant and have the sale confirmed; and provided this condition is complied with the profit on the transaction will not be subject to tax in Canada.

The principle, involved, it seems to me is a very vicious one indeed. Just consider what might happen if we had a similar convention with the United States. Under the convention American merchants would sell far more goods in Canada than we would sell in the United States, and therefore the amount of Canadian taxes which American merchants would escape would be far larger than the amount of American taxes that Canadian merchants escaped on sales in the United States.

I do not see how this convention has anything whatever to do with double taxation, and I am strongly opposed to a deal of this kind.

Hon. Salter A. Hayden: Honourable senators, I wonder whether we are devoting a lot of time to something that is very simple. As I read Article I in the codicil to the agreement between France and Canada, it seems to me to be designed to make it more convenient for French merchants to deliver products to purchasers in Canada, and for Canadian merchants to deliver products that they sell to purchasers in France. As a matter of convenience and good business sense, and having regard to the distance between the two countries, the idea is to facilitate trade by storing Canadian goods in warehouses in France, and French goods in warehouses in Canada, and having deliveries made from the warehouses in the country where the goods are stored rather than from the country where the goods are produced.

All that this article says is that, for income tax purposes, the French merchant whose goods are warehoused and delivered in Canada shall not be regarded as carrying on business in this country, and that any profits he makes on these transactions shall not be taxable here; and, vice versa, that the Canadian merchant whose goods are warehoused and delivered in France shall not be regarded as carrying on business in that country, and that any profits he makes on those transactions shall not be taxable in France. This works both ways. For Canada to say that profits resulting from business done here in that fashion will not be looked upon as income earned by the French company in Canada, and for France to say that it will disregard the profits so made in that country by a Canadian company, does not seem to me to be a violent or shocking extension of a law to be applied as between two countries. That is all the codicil does.

Hon. Mr. Horner: But why should there be a different agreement with Britain and the United States?

Hon. Mr. Hayden: As a free-lance in this discussion, I might offer the answer that the French government was the first to think of this angle; and it may very well be that in due course the other conventions will be amended. I see no objection to this convention.

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

INCOME TAX BILL

REPORTS OF COMMITTEE

Hon. Mr. Hayden presented and moved concurrence in the report of the Standing Committee on Banking and Commerce, on Bill 205, an Act to amend the Income Tax Act.

The report was read by the Clerk Assistant as follows:

Your committee recommend that they be authorized to print 500 copies in English and 200 copies in French of its proceedings on the said bill, and that Rule 100 be suspended in relation to the said printing.

The report was concurred in.

Hon. Mr. Hayden presented a further report of the Standing Committee on Banking and Commerce, on Bill 205, an Act to amend the Income Tax Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred Bill 205, an Act to amend the Income Tax Act, have in obedience to the order of reference of June 5, 1951, examined the said bill and now beg leave to report the same without any amendment.

Hon. John T. Haig: Honourable senators, before the report is concurred in, I move, seconded by the honourable senator from Rosetown (Hon. Mr. Aseltine), that the report of the committee be not now concurred in, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

The other evening, on the motion for second reading of this bill, the honourable senator from Northumberland (Hon. Mr. Burchill) drew the attention of the house to section 25 of the bill, which would extend certain tax exemptions to specified public utilities, not including telephone companies. That question came up when the bill was being considered in committee, and there was full and ample consideration given to it. The Minister of Finance explained that he had chosen three types of utilities, but admitted that there was no particular logic in his choice. When asked why he did not include telephones, he merely said that he did not choose to do so. That is the basis for my asking that the bill be returned to the committee.

In the case of corporations producing electricity, gas and steam, the rates are controlled either by the Board of Transport Commissioners or a public utilities board. In the province of New Brunswick I think there is a public utilities board, as I know there is in Manitoba. In the provinces of Ontario and Quebec, control is, I believe, in the hands of the Board of Transport Commissioners.

55708—28½

Hon. Mr. Roebuck: In some cases it is a municipal board.

Hon. Mr. Haig: Bell Telephone rates are controlled throughout the provinces by the Board of Transport Commissioners. But for the sake of this discussion I shall regard all companies as being under the control of a public utilities board.

The man who sells groceries may charge whatever prices he likes, but the man who sells electricity is told what he can charge for his product. That is the difference between businesses. As the honourable senator from Northumberland (Hon. Mr. Burchill) pointed out the other night, in order that a telephone company may have a net increase of fifty cents per telephone, the governing body must allow that company to increase its rates per phone by one dollar. Half the increase goes to pay taxes. The Minister of Finance was fair enough to admit last evening that half of the taxes on electric, gas and steam corporations go to the province in which they are collected. It is something like charity; the individual actually gives about fifty or sixty per cent of the donation and the balance is made up of the deduction which the government allows him to make from his taxes.

But this does not apply to telephone companies. In their case the tax all goes to the federal government. That is where the trouble starts, and that is why these companies are not included in this provision. If the provinces received half of the tax received from the telephone companies, there would be more inclination to give them the benefits of exemption. I am strongly of the opinion that we should not do anything to increase our general taxes by raising the cost of utility services, and this is one place where rates could well be reduced. The Minister of Finance in his remarks last night indicated that he had allowed these concessions not very graciously, but under pressure of public demand.

I call the attention of the house to a situation in the city of Winnipeg, where we have two companies selling electricity. One of them is city-owned and pays no tax; the other is privately owned and is taxed. In the province of Ontario the company that produces the electricity pays no tax. In Quebec the corporation producing electric power has been paying taxes, and I am told that is why the city of Montreal is anxious to take over the operation. In that way it would get away from the federal tax. If we allow tax exemption in one province, it seems to me only fair to allow it in every province.

I am not speaking in the interests of Manitoba, because we own our own telephone system. But in Saskatchewan, British Columbia, New Brunswick and Quebec—as in Ontario—there are quite a few small private telephone companies as well as the Bell Telephone Company. I do not object to taxes on companies which fix their own profits. Take the case of a man who holds stock in, say, the Hudson Bay Mining and Smelting Company. He has to pay taxes, but the company can raise its price to whatever the world markets are prepared to pay; and certainly prices are going up, because I noticed that in 1951 the company made double the profit it made in 1950. At the same time taxes were doubled, so the net profit was no greater. But the owners of the telephone company in New Brunswick have to go before a public utility board to obtain an increase to provide for additional outlays in wages, costs of construction and maintenance, and for every dollar thus required of them they must get $2 in increased rates.

In the world today a bitter struggle is going on between private enterprise and socialism. Those who listened to the radio at noon today heard the Prime Minister of Great Britain tell how he is struggling with the situation left by a government which previously occupied office for five years. The people over there are standing on a trap door; they do not know when it will collapse. In this country we challenge the theory that a private company should pay taxes which a public company does not have to pay. I am not in favour of that kind of thing. I believe in private enterprise. I may be entirely wrong. But today I heard a very great expert say in committee that the two private enterprise countries, Canada and the United States, produce more goods than all the rest of the world.

Hon. Mr. Howard: Certainly they are going ahead faster.

Hon. Mr. Haig: The records of Canada and the United States are outstanding in history, and private enterprise is the backbone of their economy.

I stand for private enterprise, and I do not believe we should handicap it by taxation from which we exempt socialized enterprise, which is what we are doing by this legislation. I am not concerned whether a change will cost much, because, to judge from the record of last year, we can easily reduce expenditures sufficiently to take care of the amount collected from these telephone companies. Of course a telephone is a very useful and important article. I happen to know of a young married couple, living on the outskirts of Toronto, who are almost frantic because they cannot get this service. The wife is unable to leave her young children, and she cannot telephone for anything she needs. The best she can do is to make out a list in the morning and have her husband take it with him to town. Telephones are absolutely essential to our modern civilization.

I do not believe that this tax should be permitted. I am opposed to it, and I shall ask the house to vote against it. I made a similar motion in committee yesterday and was defeated. I know that I shall be outvoted again today, but that makes no difference to me. The principle is wrong. I am wholeheartedly in favour of free enterprise. My party, also, believes in it. So I ask every honourable senator present to stand up and declare whether he is for free enterprise or against it.

Hon. Arthur W. Roebuck: Honourable senators, if the vote were on the issue of free enterprise versus unfree enterprise, I think we would be practically unanimous: all of us are for free enterprise. But I am wondering whether the situation is quite so simple as that. My honourable friend from Winnipeg (Hon. Mr. Haig) complains because public utility corporations are exempted from taxation to which certain other enterprises of a similar character are subject, and that situation does seem anomalous. But is not the answer this: there are in our communities certain undertakings which are naturally public enterprises. A group of citizens decide to go to the government to ask for the franchise which is necessary before their corporation can carry on such a business as a railway which crosses the public streets, a telephone service which must use the public streets, or a power-generating company which must use a great natural resource and carry its wires across public thoroughfares and along the streets of our cities. All these, surely, are very different from, say, the manufacture of boots and shoes, which anybody can engage in. A natural monopoly in which competition can play no effective part, and which cannot be carried on until special permission to levy rates has been obtained from the government, is not of itself private enterprise, even though private individuals are carrying it on. It is private enterprise carrying on a public enterprise. So when the distinction is clearly drawn between what is naturally private enterprise and what is naturally public enterprise, the anomaly seems to disappear; and it is rather illogical to tax something which is a public enterprise, taking the money out of one pocket to put it into another. For example, the province of Ontario has a great hydro-electric system. What is to be gained by the province or the dominion levying against that system taxes which by the very nature of things will be added to

the rates charged to the consumer? You take money out of one pocket and put it in the other. What difference does it make, whether the rates are controlled by a board or not? The fact is that the taxes placed upon public enterprises of the kinds I have indicated are paid by the consumers; so also are the taxes on private enterprise. If we are charged, as I think we are, with the responsibility of supplying such public services as power, telephones, post offices, schools, and a thousand other things I might mention, I believe we are obligated to provide them at absolutely the lowest possible price. It is not logical to take money from them and put it into one pocket rather than into the other. I do not entirely follow my friend from Winnipeg (Hon. Mr. Haig) in his attack upon the exemption of public services from public taxation.

Hon. G. P. Burchill: Honourable senators, I had no idea that my honourable friend (Hon. Mr. Haig) intended to make the motion he did this afternoon, but following his remarks I feel that I should say a few words to clarify my position.

This discussion will serve some worth-while purpose if it does nothing more than bring to the attention of parliament a situation which we have here in this country. As I pointed out last Thursday, in some provinces we have telephone companies serving the public which do not pay any taxes into the federal treasury, and in other provinces we have other telephone companies which do. In other words, the telephone users in some provinces pay taxes and those in other provinces do not. That is the situation with which we are faced.

The privately-owned companies have always borne their fair share of the corporation taxes of this nation, and when the country found it necessary two years ago to impose a further tax of 20 per cent to take care of additional defence charges, the telephone companies and public utility companies found themselves unable to earn a rate of return on their invested capital which would be sufficient to pay dividends to their shareholders and at the same time pay the 20 per cent additional tax. They therefore asked the minister whether, under these circumstances and in view of the inflationary tendencies and the fact that they would be obliged to ask for increased rates—in other words, to ask the telephone users to pay more for the use of telephones—some system could not be worked out whereby enough money would be allowed to remain in the treasuries of these respective companies to permit them to get by. To put it another way, could not some formula be devised whereby these companies could be allowed to earn a fair return on their capital before paying this extra impost of 20 per cent? On that occasion the minister advised that such a formula was not feasible. The companies impressed upon him the fact that it did not seem fair that the telephone users of some provinces should contribute to the national defence of this country when the telephone users of other provinces, like Manitoba, were not contributing one dollar for the same purpose. As I say, the response of the minister was that such a formula was not feasible, but that the situation would be surveyed and something done the following year if possible. Further representations were made to the minister during the year, and when the budget was brought down a section was included in the Income Tax Act, which we are discussing now, which gave to certain public utilities the very thing that had been asked for but denied it to what I consider to be a bona fide utility, the telephone business.

When addressing the house the other day I asked that this section be amended so as to include telephone companies. I followed up that request last night in committee, and put the case before the minister as strongly as I could, but he replied that he would not accept any amendment and that the section must stand as it is.

Having put the case of the telephone users of New Brunswick and of the other provinces which are served by privately-owned companies as forcibly as I could, I do not propose to go further. I am therefore sorry that I cannot vote for the motion of my honourable friend.

Hon. Salter A. Hayden: Honourable senators, the leader of the opposition (Hon. Mr. Haig) has made a rousing speech on behalf of private enterprise. I agree with what he has said in support of private enterprise, but at the same time I have to be practical and look at what the problem is that lies before us. The problem we are dealing with in section 25 of the Income Tax amendments for this year does not involve a battle between private enterprise and socialism or state ownership. This section proposes to give some measure of tax relief to gas, electric and steam utilities, which under the present law are subject to income tax.

The section in question deals only with companies within the category of private enterprises; companies that otherwise would be subject to the going rate of corporate taxation in Canada at the present time. The real question, therefore, is whether the circle of utility companies subject to the going rate of corporation taxes in Canada at the present time should be narrowed or enlarged

in the matter of the preference, if you want to call it that, which is being extended by this amendment. The circle drawn by section 25 includes electric, gas and steam utilities, and it is provided that instead of a corporate rate of 50 per cent, which is the general corporate rate under our present income tax laws, the going rate of tax in relation to these companies shall be 43 per cent in respect of the income they receive from the sale of their product or commodity to the public.

Why have telephone companies not been included within the circle to which I have referred? To that question there is no answer in logic, that because logically speaking the telephone companies fall within the same general field as do the electric, gas and steam utilities. Last night the minister himself agreed that he could give no logical answer. He said that the only basis on which he could justify including these other utilities and excluding the telephone companies, was that under the tax agreements with the various provinces the Government of Canada rebates 50 per cent of the revenue, which it collects in the way of business tax from these utilities. Since they were specially singled out he used them as a basis.

The motion which was made last night, for the tabling of the bill would, if carried, have had the effect of preventing the bill from becoming law. Now, the income tax amendments this year are in the main relieving, and although the individual rates are not much lower, they are at any rate somewhat lower, and looking at it in a practical way—for we have to be practical in this matter—I am concerned, because if the bill is not passed we shall be left with income taxes at a higher rate than the rate which the government has said is necessary in order to produce the revenue that it needs for this year. Besides being, as I hope, a practical sort of person, I have what I regard as a workable philosophy, namely, that if some person offers to give you something, even though it is not as much as you had hoped to get, you should grab it, and begin at once asking for more. I have expressed that philosophy in the Senate before, so it is not new. For these reasons I am against any move which would prevent the income tax amendments of this year from coming into force.

I agree as to what the minister stated last night. I also agree with much of what the leader of the opposition said today, though he got away from the question by rallying the forces of private enterprise against those of public ownership. But private enterprise versus public ownership is not the issue here, for publicly owned utilities are not involved, since they do not pay income tax. Maybe they should, but they do not. The issue is whether we should bring telephone companies within the provisions of the new section 75, which would entitle them to a lower rate of taxation, or whether we should allow them to fight stronger and harder for inclusion among the other utility companies as beneficiaries of this section. The main rate of reduction would be about 7 per cent off the corporate rate. In Ontario and Quebec it would be less than that, about 5 per cent. Still, that is a benefit to these utilities and may reflect itself in lower rates.

As I say, we have to look upon this thing in a practical way. Having expressed our views and indicated with, we hope, some logic, a condition that we think should be corrected, it may be that the minister's ears will tingle a bit and that he will feel within himself a logical urge to take action ultimately in line with what has been suggested here. But I am not prepared to subscribe to the amendment which has been proposed today, because I do not want to throw overboard all the benefits that the bill gives. I know that if the bill is referred back to committee, one of two things must happen. Either the committee will have to amend the new section 75 to include telephone companies—and that amendment would not be accepted—or it would have to take the same course of action that it already has taken, and report the bill to the Senate without any amendment. For these reasons I am opposed to sending the bill back to committee. I am opposed to that course also because it would give us more work, and we already have a lot to do.

Hon. Mr. Robertson: Honourable senators, I have listened carefully to the remarks of the leader of the opposition (Hon. Mr. Haig). What is before us is a report of the Committee on Banking and Commerce. I was not present at the committee's meeting, but it would appear that the bill was thoroughly considered. The committee has reported the bill without amendment, and unless new evidence is to be produced or new circumstances have arisen, I find it difficult to see why the bill, which already has been carefully considered by the committee, should be referred back for further consideration.

Hon. W. D. Euler: Honourable senators, I spoke for a few minutes on the motion for second reading of this bill, and I have not changed my attitude at all in the meantime. I was then critical of the discriminatory features of the bill, and in that respect I agree almost entirely with what has been said by the leader of the opposition (Hon. Mr. Haig). I was at the committee meeting last night

when the Minister of Finance appeared, and without being unduly critical I must admit that I did not like his attitude or the manner in which he disposed of the arguments of the senator from Northumberland (Hon. Mr. Burchill). The minister gave no reason for the discrimination; he said he could not give any logical reason for it. It is quite apparent that no one could give any good reason why there should be discrimination in this matter, and I was not particularly convinced by the very poor reason that was more or less reluctantly advanced in support of the section. So my opinion is just as it was before.

I would feel disposed to support the amendment submitted by the leader of the opposition. Ordinarily, though, I like to be reasonably practical, and I am just wondering what he hopes to gain by sending the bill back to committee. I have no objection to our taking that course, but what is going to happen if we do? The Minister of Finance would probably appear again and be just as —I almost used the word "cynical", but instead I shall say—

Hon. Mr. Crerar: Adamant.

Hon. Mr. Euler: Adamant, if you like. He might say that he has every sympathy with the position taken by the senator from Northumberland (Hon. Mr. Burchill), but that he is not going to change the view that he has already expressed. We would probably just go through the same debate that we had last night and today, and arrive at the same result. If my honourable friend will state what he hopes to gain by sending the bill back to committee, I may be inclined to vote for his amendment.

Hon. Mr. Haig: If I may answer the question—

The Hon. the Speaker: Honourable senators, I would remind the house that if the honourable the leader of the opposition (Hon. Mr. Haig) speaks now he will close the debate.

Hon. T. A. Crerar: Honourable senators, before the leader of the opposition closes the debate on his amendment, I should like to say that I agree very largely with the point that he raised, and I support the argument advanced by the senator from Northumberland (Hon. Mr. Burchill).

But the thought that occurs to me is this. What is the practical value of sending this bill back to committee? The senator from Toronto (Hon. Mr. Hayden), chairman of the committee, expressed himself very clearly, as he always does, on the position in which the house stands in this matter. I think, as does the senator from Northumberland, that this new section 75 is discriminatory; but I would hope that the Minister of Finance and his advisors will take note of the discussion that we have had here and perhaps next year remove what does appear to be a discrimination. I do not know what my honourable friend would gain by pressing his amendment to refer the bill back to the committee, because when the committee reported back to the house we should almost certainly have before us the same report that we are considering at the present time.

Hon. Iva C. Fallis: Honourable senators, I wish to call attention to one thing which has not been mentioned so far in the debate, but which impressed me very much at last night's meeting of the Committee on Banking and Commerce. During the discussion a distinguished member of this house, a supporter of the government, who is not in his seat at the moment, made a casual remark to the minister to this effect, "What if the Senate amends this"? And the minister said, "Well, I would not accept the amendment". I believe that all honourable senators who attended the meeting of the committee last evening will agree that had the Minister said, "If the Senate amends the bill, I will accept it", every hand in the committee would have been raised in support of the amendment.

To my mind, the decision which we have to make here today is whether the Minister of Finance or any minister of the government should dictate the course of action to be followed by members of the Senate. The question which we should take into account is not whether the Minister of Finance will accept the amendment, but whether we in our hearts think the amendment is proper. Even the honourable senator from Toronto (Hon. Mr. Hayden) admitted that there was no logic involved in the choice made by the Minister on this particular piece of legislation. The Minister himself made clear last evening that it was a hit-and-miss arrangement, and that there was no logic involved in excluding the telephone companies from the benefits that may result. I think we should direct our attention to the merits of the case rather than to the question of whether or not the Minister of Finance will or will not accept an amendment.

Hon. Mr. Horner: Hear, hear.

Hon. Mrs. Fallis: I always thought we in this chamber represented the sober second thought of parliament, and were free to express our views and say what we thought was the proper course to follow. If we decide that an amendment to the bill before us is proper, then we should make it, and if the Minister chooses to reject it, that is his privilege.

I take this opportunity of putting before the house the impressions that I gained when the minister was before the committee last night. Had he agreed not to oppose the suggested Senate amendment, all the members of the committee would have supported it; but when he said that he would not accept it, the senators wilted and the amendment was defeated.

Hon. G. H. Barbour: Honourable senators, I did not attend the meeting last evening, but I have some thoughts on this subject.

Are the telephone companies in any different position than other corporations which distribute dividends and pay taxes? The Prince Edward Island Telephone Company, for instance, recently got authority from the utilities board to increase private telephone rates from $3.10 a month to $3.70 a month. I presume the increase was to take care of additional taxes. For myself, when I am away from home for a few months I do not bother to have the telephone service disconnected, because there is a good deal of bother about disconnecting and reconnecting it. I have no doubt that in the various provinces there are many rural telephone companies which will not be affected by this proposed change, for the reason that they are run co-operatively.

Honourable senators know that within the past year the Bell Telephone Company has been allowed to increase its rates. That company is now paying $2 a share on its common stock, and I notice that the interest rate is better than 5 per cent at the present quotation. The New Brunswick Telephone Company, of which my friend spoke, is pretty much in the same position. Recently a stockbroker recommended that I buy some stock in that company. It was then selling at $12.50 a share and paying a dividend of 60 cents per share per year. It seems to me that, if any change were made by which there would be a reduction in taxation, the benefits would go only to the shareholders and to the company. I am quite sure that in the case of the Prince Edward Island Telephone Company the rate would not go back to the figure of $3.10 a month.

Hon. Mr. Aseltine: Sure it would.

Hon. Mr. Horner: Honourable senators, I wish particularly to congratulate the honourable lady senator from Peterborough (Hon. Mrs. Fallis) on the remarks she has made, and to ask the leader on this side of the house (Hon. Mr. Haig) not to press this amendment to a vote. I think it would serve no purpose, for it is quite evident that the house has not recovered from the "wilt" that it suffered last night.

Hon. Mr. Howard: Question!

Hon. Mr. Haig: Honourable members, let me say that the purpose of my amendment has been accomplished.

The honourable senator from Toronto (Hon. Mr. Hayden) said something in committee last night that I do not like, and he repeated it today. I do not believe that we should stand still and accept a deal that represents only half a loaf. Such an attitude may be all right in the House of Commons, but it will not do here. All we are obliged to do is to decide what is right and what is wrong, and vote accordingly. The senator knows, as I know, that the income tax which we will have to pay for 1952 will be higher than that of last year.

Hon. Mr. Hayden: No; you are wrong there.

Hon. Mr. Haig: Yes; in 1952 I will have to pay an increase of tax over 1951.

Hon. Mr. Hayden: No, no.

Hon. Mr. Haig: I will have to pay an additional 2 per cent for old age pensions.

Hon. Mr. Hayden: No.

Hon. Mr. Haig: The Minister of Finance admitted on the floor of the other house that the individual would have to pay more taxes this year than he has paid before.

I want to express my admiration of the remarks of the senators from Northumberland (Hon. Mr. Burchill), Toronto-Trinity (Hon. Mr. Roebuck), Waterloo (Hon. Mr. Euler) and Churchill (Hon. Mr. Crerar). I believe that if I called for a vote now, two and perhaps three of them would support the amendment.

My honourable friend from Waterloo asked me why I wished this bill to be referred back to the committee. Well, I have found in my political career that if I fight long enough my demands will finally seep through the dullest intellects, and I will get what I want.

Hon. Mr. Euler: You are telling me?

Hon. Mr. Haig: My point has been accomplished, and I will not ask for a division.

The proposed amendment was withdrawn.

The Hon. the Speaker: Honourable senators, the question is on the report of the Standing Committee of Banking and Commerce, on Bill 205, an Act to amend the Income Tax Act. Is it your pleasure to concur in the report?

The motion was agreed to, and the report was concurred in.

THIRD READING

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

Hon. Mr. Hayden: Now.

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

DOMINION SUCCESSION DUTY BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 208, an Act to amend The Dominion Succession Duty Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill (208, from the House of Commons), intituled: "An Act to amend the Dominion Succession Duty Act," have in obedience to the order of reference of May 29, 1952, examined the said Bill and now beg leave to report the same with the following amendments:

1. Page 2: Delete lines 22 to 27, both inclusive and substitute:

"(5) Notwithstanding anything in this Act, where (a) a general power to appoint property, either by instrument *inter vivos* or by will, or both, is given to any person, and (b) that property is, by virtue of some other provision of this Act, included in a succession, the succession in respect of that property shall be deemed to be to the person to whom the power was given, and that person and the deceased shall be deemed to be the 'successor' and the 'predecessor' respectively."

2. Page 2, line 32. Delete "at a value" and substitute "for a consideration."

3. Page 2, line 33: After "such" delete "value" and substitute "consideration."

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

Hon. Mr. Hayden: With consent, at the next sitting.

CUSTOMS TARIFF BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 209, an Act to amend the Customs Tariff.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill (209, from the House of Commons), intituled: "An Act to amend the Customs Tariff," have in obedience to the order of reference of June 2, 1952, examined the said Bill and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill G-11, an Act for the relief of Marie Jacqueline Michelle Major Valiquette.

Bill H-11, an Act for the relief of May Clara Taylor Di Biasio.

Bill I-11, an Act for the relief of Regina Joan Lee Mills.

Bill J-11, an Act for the relief of Violette Chartrand Fairon.

Bill K-11, an Act for the relief of Doreen Elizabeth Lawton Batty.

Bill L-11, an Act for the relief of Norma Meldrum Drysdale McGown.

Bill M-11, an Act for the relief of Jean Elizabeth Wood Jackson.

Bill N-11, an Act for the relief of Louisa Ryan Heke.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, now. I so move.

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

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Before the house adjourns may I remind honourable senators that the Standing Committees on Transport and Communications and on Banking and Commerce will meet when the Senate rises.

Hon. Mr. Haig: And the Committee on Finance, too.

Hon. Mr. Robertson: And Finance also, my honourable friend says.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 12, 1952

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

Prayers and routine proceedings.

AERONAUTICS BILL

REPORT OF COMMITTEE

Hon. Mr. Roebuck presented the report of the Standing Committee on Transport and Communications on Bill 194, an Act to amend the Aeronautics Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred Bill 194, an Act to amend the Aeronautics Act, have in obedience to the order of reference of June 5, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With the concurrence of the Senate, I move that the bill be read the third time now.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Euler (for Hon. Mr. Hardy) presented Bill O-11, an Act to incorporate Ogdensburg Bridge Authority.

The bill was read the first time.

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

Hon. Mr. Euler: Monday next.

TRADE MARKS BILL

FIRST READING

Hon. Mr. Robertson presented Bill P-11, an Act relating to Trade Marks and Unfair Competition.

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

Hon. Mr. Robertson: I would ask that this bill be placed on the Order Paper for second reading on Monday next. Early in the week my colleague the Secretary of State will come to this house to explain the bill.

DOMINION SUCCESSION DUTY BILL

COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill 208, an Act to amend the Succession Duty Act.

Hon. Mr. Robertson moved concurrence in the amendments.

Hon. C. B. Howard: Honourable senators, I do not intend to oppose the adoption of these amendments, for the minister has assured us that their purpose is to prevent loopholes in the present Dominion Succession Duty Act. However, I should like to say a word about the Act itself. It seems to me that when that Act was placed on our statute books it was a very important one. At that time income taxes, where they applied at all, were very light, and therefore it seemed only fair that on the death of people who had gone into business and made fortunes the state should take a reasonable share of the money they had accumulated. But the picture today, as I see it, has entirely changed. Out of the very first pay that a young person now receives after starting work there is a deduction for income tax; and with every increase in pay there is an increase in tax. Nowadays every individual in the country pays income tax throughout life, or so long as he or she has an income above a certain minimum. In addition, every one is taxed on all goods purchased, except food and a few other items.

Corporations also are heavily taxed. Some years ago this government—my government, if you want to put it that way—decided that the principle of double taxation was bad, and that for income tax purposes an individual would be allowed to deduct 10 per cent of dividends received from Canadian corporations. I congratulate the government upon that move. At that time it was hoped and expected that in the following year the allowance would be raised to 20 per cent, and in the year after that to 30 per cent, and so on, until the time came when dividends received by Canadians from Canadian corporations would not be taxed in the hands of individuals receiving them. But certain new factors came into the picture. War and the fear of war have made it necessary to increase expenditures on defence, and consequently the deductible proportion of dividends from Canadian corporations is still only 10 per cent.

The picture as to the making of money has also changed. When some members of this house were younger, the money that they made was invested by them in their own or other enterprises, and in this way jobs were created. Jobs are of vital importance to

Canada today. I was going to suggest—but I would be considered too bold if I did so—that when money is not taken out from a concern in dividends but is reinvested in the business in such a way as to give more employment in this country, some consideration should be given to this practice in the form of tax relief. But what I am going to say will to a certain degree eliminate the need for that suggestion. I think the time has come when we should entirely drop succession duties from our list of taxes. Not only does every individual now pay taxes so long as he lives, but if at death he leaves some money to his children or employees or others, the recipients have to pay income tax on that money from the minute it comes into their hands. For these reasons, I repeat that I should like to see succession duties dispensed with altogether.

Somebody may say, "Oh, but succession duties are an important source of revenue." By way of answering that I may say that at this morning's meeting of the Finance Committee—which I attended, although I am not a member of the committee—there was produced a statement or schedule of revenues received by the government from taxes, and it showed that succession duties provide the smallest of all tax revenues.

The present government has tried and is trying to correct injustices which occur from time to time. Yesterday the senator from Northumberland (Hon. Mr. Burchill) cited a discrimination against telephone companies. The leader opposite (Hon. Mr. Haig) pointed to an instance in the city of Winnipeg where a privately-owned company producing electricity was taxed, while a publicly-owned institution in the same city and performing the same function was not taxable. I believe the fair thing to do is to tax all corporations on the same basis, whether they are publicly or privately owned. At the same time, let us abolish succession duties.

Hon. Mr. Dupuis: May I ask the honourable gentleman whether he can give us any assurance that if the federal government decided to do away with succession duties the provinces would not double their present tax?

Hon. Mr. Howard: It is possible that they would. But the federal government might get the provinces to agree to stay out of the succession duty field.

Hon. Mr. Dupuis: What authority have we for believing that the federal government could induce the provinces to do that?

Hon. Mr. Howard: We have none.

As honourable senators know, the succession duty levy as it applies to certain people causes great hardship. Take, for instance, a family circle within which the father, mother, father-in-law and mother-in-law drop out of the picture, all within a five-year period. In those circumstances, under the Succession Duty Act, there may be very complicated results; whereas, if there were no such Act, the younger generation would just carry on the good work of the parents.

Here is a further reason for doing away with the succession duty. While a man lives he continues to attend to the payment of taxes and duties levied against him. But when he drops out of the picture, he may leave a widow who has had no experience in business, and children who are not old enough to look after her interests. She may find the bank accounts tied up and the safety deposit box locked. That kind of thing often presents an impossible situation, and I think the law is bad.

While I give the federal government credit for all the good that it has done and tried to do—and we are all looking forward to a reduction in taxation—I want to leave with this house one thought, which I trust others share with me. My thought is—and I strongly recommend—that the government get out of the succession duties field, and try to see if the provinces also would agree to withdraw from that field. At the same time, I firmly believe that corporations should be taxed without discrimination as to ownership.

Hon. W. Rupert Davies: Honourable senators, I would agree with the senator from Wellington (Hon. Mr. Howard) up to a point, but I cannot go along with him in the suggestion that this is the time to take off succession duties. At present most corporations pay a tax of about 52½ per cent, and there is a levy on dividends in the hands of shareholders. It seems to me that this form of double taxation is most severe. But those of us who listened the other day to the Minister of Health and Welfare must have been impressed by his statement that after the expenditures on defence and social security have been provided for, only 17 per cent of the national revenue is left to run the country with. So, much as I, like every other member of this chamber, would like to see taxation reduced, I do not think this is the time to remove succession duties. I do feel, however, that when we have got well ahead with our defence preparations, the government should consider very seriously this matter of double—and at times almost treble—taxation on the same money.

Hon. T. A. Crerar: Honourable senators, I listened with much interest to the observations of our colleagues from Wellington (Hon. Mr. Howard) and Kingston (Hon. Mr. Davies). I share the view of the former that

it would be a very fine thing indeed if we could sweep away succession duties and, I might add, some other forms of taxation. But I am afraid that in the days in which we live the possibility of abolishing succession duties is a very remote one. This tax is one of those instruments, devised in comparatively recent years, by which an almost complete redistribution of much of the wealth of the country is being carried out. This trend is clearly manifest to any one who studies the consequences of succession duties in Great Britain over a considerable period, and the effect in this country will ultimately be the same. While I have a great deal of sympathy with the point of view urged by our colleague from Wellington, I am not very hopeful that his expectations will be realized.

But my real purpose in rising to make this little contribution is to offer a suggestion which, I think, can be advanced on a basis of equity and fairness. Today, if an individual leaves an estate of $49,000, that estate is not taxable; if his neighbour passes on and leaves an estate of $51,000, that is taxable. As a matter of fact, in committee the other day I was prepared to ask a question on this point, but being a rather modest and timid person—

Some Hon. Senators: Oh, oh.

An Hon. Senator: Say it again!

Hon. Mr. Crerar: —I did not do so. But why should not the law be changed so that the first $50,000 of any estate is exempt from succession duty?

Hon. Mr. Aseltine: It is.

Hon. Mr. Howard: I might interject that in Quebec the exemption is only $15,000.

Hon. Mr. Crerar: I am speaking of the Dominion Succession Duty Act. This proposal seems to me very fair and reasonable. After all, the burden of taxation has become very heavy indeed. This morning the Finance Committee had before it some information as to the variety of taxes levied on the Canadian people and what happens in many instances as a result. I think the suggestion I put forward should be seriously considered by the government, and by parliament, if and when a new Succession Duty Act is placed before us for consideration. It seems to me eminently fair, reasonable and just that at least the first $50,000 of any estate should be exempted from succession duty.

Hon. Mr. Reid: If a man dies leaving an estate of $51,000, is the tax imposed on the entire $51,000, while an estate of only $49,000 escapes all tax?

Hon. Mr. Euler: Yes.

Hon. Mr. Crerar: I can assure my honourable friend that the whole $51,000 is taxed. A testator might be disposed to keep that fact in mind, and try so to manage his affairs that his estate would not be more than $49,000.

Hon. Mr. Aseltine: Perhaps I should say something about the law on this subject. It is true that an estate of an aggregate amount of $50,000 is not taxed except—provincially—in Ontario and Quebec. If in the aggregate the total estate exceeds $50,000, that amount is taken into consideration in arriving at the rate of the tax. But after the tax is deducted, $50,000 is left. For example, if an estate were of the value of $51,000 and the tax amounted to two or three thousand dollars, only $1,000 would be taken, and the remaining $50,000 would be exempt and available in full to the beneficiaries under the will, or to the next-of-kin if there were no will.

Hon. Mr. Haig: That is correct.

Hon. Mr. Crerar: But why should not $50,000 be left untaxed, and the duty applied only to estates over $50,000?

Hon. Mr. Davies: Is that both federal and provincial law?

Hon. Mr. Aseltine: That law applies to all Canada excepting Ontario and Quebec, where provincial as well as dominion succession duty is imposed. But in the other provinces $50,000 is not taxed.

Hon. W. D. Euler: This debate seems to have developed into a discussion of inequities or inequalities in the matter of taxation, and certainly there is plenty of room for complaint. But as to relieving estates from payment of succession duty, I am quite in agreement with the senator from Wellington (Hon. Mr. Howard)—or is it Sherbrooke?

Hon. Mr. Howard: Either one is all right!

Hon. Mr. Euler: On previous occasions in another place I argued that where large estates are built up by reason of the fact that in a country like Canada there are so many opportunities of making money, it is only fair and reasonable that, when a person dies leaving a fortune, some part of it should be taken for the use of the state which has made it possible to earn the fortune. I have not changed my mind with regard to that, but I do say it is utterly unfair and wrong that an estate of $49,000 left by a man in Ontario escapes scot-free, while his next-door neighbour's estate of $50,050 is taxed on the whole amount.

Hon. Mr. Haig: No.

Hon. Mr. Euler: That is so in Ontario.

Hon. Mr. Ross: You will have to speak to the Ontario government about that.

Hon. Mr. Euler: No; it is a federal law.

Now let me say a word about double taxation. When a corporation distributes dividends it pays a very high tax, and the shareholders who receive the dividends are permitted to deduct only 10 per cent for tax purposes. I submit that this is not enough, that it is only partial relief from double taxation. Why, we even have treble taxation in this country. A few years ago I brought up this subject in connection with insurance companies. Prior to that time an insurance company paid a tax of 3 per cent on premium income. There was no apparent reason for this, because a company might have a large premium income and make no profit at all.

Hon. Mr. Beaubien: Are you speaking of life insurance companies?

Hon. Mr. Euler: I am speaking of fire insurance companies, but life insurance companies, also may make no profits from investment income. The government brought in a bill by which the tax on premium income was reduced from 3 to 2 per cent; but I maintain that premium income should not be taxed at all, because the theory of income tax, as I understand it, is to tax profits. An insurance company might make no profit at all, yet because of having a premium income of two or three million dollars, taxed at 2 per cent, would pay some $40,000 or $60,000 in taxes. When the government introduced a corporation tax for these companies, that meant double taxation for mutual companies and treble taxation for privately-owned corporations. First, there is a 2 per cent tax on the premium; and, secondly, a corporation tax. When a dividend is distributed, the individual shareholder pays the third tax.

Hon. Mr. Howard: And the succession duty constitutes the fourth tax.

Hon. Mr. Euler: All right, call it a quadruple tax. We debated a certain matter yesterday, but no great attention seems to be paid to any of the representations we made, and for this I am sorry.

The motion was agreed to.

THIRD READING

Hon. Mr. Robertson: Honourable senators, with leave I now move the third reading of the bill.

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

THE ESTIMATES

MEETING OF FINANCE COMMITTEE

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, I have been asked to announce that the Finance Committee, which is studying the estimates, is to meet immediately after the Senate rises.

The Senate adjourned until Monday, June 16, at 8 p.m.

THE SENATE

Monday, June 16, 1952

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

Prayers and routine proceedings.

B.N.A. ACTS AMENDMENT (READJUSTMENT OF REPRESENTATION IN COMMONS) BILL

FIRST READING

A message was received from the House of Commons with Bill 331, an Act to amend the British North America Acts, 1867 to 1951, with respect to the Readjustment of Representation in the House of Commons.

The bill was read the first time.

MOTION FOR SECOND READING

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

Hon. Mr. Robertson: Honourable senators at this time may I make a brief reference to legislation that is to come before this chamber, including this bill and another that passed through the House of Commons this morning. As honourable senators are aware, the House of Commons has commenced morning sittings, and those who are optimistically inclined believe that the session will come to a conclusion about the end of this month. I am anxious to expedite the consideration of legislation in any way I can, consistent with the usual careful attention given by this house.

There is perhaps a little urgency as to the bill before us, for it has to do with the total representation in the House of Commons and must be considered and passed, if parliament sees fit, before the bill authorizing redistribution can properly be proceeded with. There is also some anxiety to have passed as soon as possible a bill to amend the Cold Storage Act, which has to do with the erection of cold storage plants for apples produced this fall. That bill passed the other house this morning, and I had expected it to reach here this evening; indeed it may reach us as our sitting continues. If it does, I shall ask for permission to move the second reading this evening. There is also a bill to amend the Combines Act, and if it reaches us tonight I would ask the house to agree to have it set down for second reading tomorrow.

I should like the Senate to proceed tonight with the bill to amend the British North America Act. How long honourable senators will take in considering it, is of course for them to say. I would move that the motion for second reading be placed at the bottom of this evening's Order Paper.

Hon. Mr. Haig: If any senator wishes to move adjournment of the debate, I take it there would be no objection.

Hon. Mr. Robertson: That would be quite agreeable. My object is only to have the motion for second reading made tonight, so that consideration of the bill may be expedited as much as possible.

Hon. Mr. Reid: Will the honourable leader permit a question? Has this bill anything to do with the boundaries of electoral districts?

Hon. Mr. Robertson: No. This bill simply sets a floor under the total number of representatives in the other house. The bill authorizing redistribution can only be proceeded with after this one is passed. The passage of these bills will have a considerable bearing on the date of prorogation, and I should like to see them dealt with expeditiously.

The motion was agreed to, and the motion for second reading of the bill was ordered to be placed on the Order Paper for this day.

GOVERNMENT PROPERTY TRAFFIC BILL

COMMONS AMENDMENTS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill D-11, an Act for the control of traffic on government property, and to acquaint the Senate that they have passed the said bill with several amendments to which they desire the concurrence of the Senate.

The amendments were read by the Clerk Assistant as follows:

1. Page 1, line 7: After the words "belonging to," insert the following words: "or occupied by."

2. Page 2, line 13. After the word "owner," insert the words: "or occupant."

Line 25: After the words "belong to," insert the the words: "or are occupied by."

Line 26: After the word "Canada," insert the words: "as the case may be."

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

Hon. Mr. Robertson: Next sitting.

SUSPENSION OF RULES

NOTICE OF MOTION

Hon. Mr. Robertson: Honourable senators, I desire to give notice that to-morrow I shall move:

That for the balance of the present session Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

As honourable senators are aware, this is a resolution that is ordinarily moved at this stage of each session. Its passage does not in any way take from honourable senators the rights which they have under the rules, but places the power to expedite legislation in the hands of the majority, if this is the desire of the house.

DIVORCE BILLS

FIRST READINGS

Hon. W. M. Aseltine, Chairman, of the Standing Committee on Divorce moved first readings of the following bills:

Bill Q-11, an Act for the relief of Maurice Speyer.

Bill R-11, an Act for the relief of Lorraine Souillet Heaven.

Bill S-11, an Act for the relief of Charlotte Elizabeth Johnston Rawson.

Bill T-11, an Act for the relief of Eleanor Luba Hirschfield Mott.

Bill U-11, an Act for the relief of Marguerite Anne Sweeting Russell.

Bill V-11, an Act for the relief of Amy Stirling Price.

Bill W-11, an Act for the relief of Jean Irene Ross Roche.

Bill X-11, an Act for the relief of Regina Landry Brouillard.

Bill Y-11, an Act for the relief of Jean-Paul Malo.

Bill Z-11, an Act for the relief of Robert Arthur Reeve.

Bill A-12, an Act for the relief of Joyce Mary Barton Vallis.

Bill B-12, an Act for the relief of Lawrence Edward James.

Bill C-12, an Act for the relief of Helene Mary Reusing Hutchins.

Bill D-12, an Act for the relief of Charles Lewis Lipton.

Bill E-12, an Act for the relief of Joseph Kovacs.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, now. All these bills have to do with applications which were not opposed, and it is necessary that they be sent to the other place as soon as possible.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, now. I so move.

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

OLD AGE SECURITY AND FAMILY ALLOWANCE CHEQUES

MOTION

Hon. Gustave Lacasse moved:

That, in the opinion of this house, the government issue, at its earliest convenience, all Old Age Security and Family Allowance cheques printed in the two official languages of the country, irrespective of the province in which reside the beneficiaries, and that this urgent recommendation be transmitted to the proper authorities without any delay, through the good offices of the government representatives in this chamber.

He said: Honourable senators, it is not my intention to deliver a long, challenging speech on bilingualism. Such a pronouncement may be expected from some honourable members, but I shall do nothing of the kind. I intend to make only a brief statement to explain and justify the motion I am sponsoring with the kind and generous co-operation of my colleague from Manitoba, the honourable the junior senator from Winnipeg (Hon. Mr. Davis). I shall then leave the floor to those who wish candidly and honestly to state their views on this—apparently—very contentious matter.

I sometimes wonder why so often, if not invariably, conflicts of opinion turn into displays of vicious hatred and thirst for revenge among men, although mankind, being endowed with mind and reason, flatters itself that it is superior to all other mortal creatures. That is precisely why there are so many family quarrels, internal revolutions, civil wars, and bloody international clashes, which at times change the course of history and affect the very destiny of mankind. I hope that this inoffensive motion will not lead to any such result, even on a smaller scale.

Honourable senators, before stating the one and only purpose which is behind this motion, I feel that it is necessary to briefly recall the facts that have gradually led to its introduction. I should not have offered this resolution

had it not been that the English press of Canada, in general, has consistently and systematically refrained from mentioning this issue in its columns, as though it were loaded with dynamite. In passing, let me remind the distinguished knights of the *Fourth Estate* that ignoring a problem is far from solving it. Is it raising an explosive issue to simply face facts and try in earnest to analyse their causes and effects? In other words, is it a sin to be realistic? More specifically, is it dealing with dangerous material to study, as circumstances warrant, the relations existing between the two pioneer races of Canada? After all is said and done, I do believe that a tribunal of the Senate—which at the present time is a more free and sober-minded house of parliament than any on this continent, and perhaps in Europe—is the most suitable to discuss and pass judgment upon a matter of this kind.

Here, in brief, are the facts. If I am not mistaken, prior to January 1952 all government cheques were issued in one language only, the English language. But nobody seemed to pay any attention to this. Then the government first decided, for reasons still unknown to me to issue cheques in English and in French—bilingual cheques—to old age security pensioners in the province of Quebec, and in English only to the pensioners elsewhere in Canada, a practice that has been adhered to ever since. No satisfactory statement has yet been made to explain this extraordinary and most uncalled for discrimination, which deliberately ignores 25 per cent of the French-speaking population of Canada.

Hon. Mr. Aseltine: The French-speaking pensioners are able to cash their cheques, are they not?

Hon. Mr. Lacasse: We pay taxes just as you do; our boys are wearing the same uniform, and facing the same dangers and the same common foe as your boys, and we are entitled to the same rights.

Since the largest part of this French-speaking group of 25 per cent happens to be located in Ontario, is it not logical that one of that province's representatives in parliament should make it his duty to express the feelings and interpret the legitimate views of his French-speaking fellow citizens on the subject?

It is not the purpose behind this motion to provoke or challenge anyone—even my good friend from Rosetown (Hon. Mr. Aseltine)—but to find out the true reason why the government ignored the basic principle upon which confederation was patiently built. Sir John A. Macdonald, the great leader of the party to which my friend from Rosetown belongs, once stated, "There is no superior race in Canada. French-speaking Canadians and English-speaking Canadians are equal before the law and in the light of history." Those are substantially the words used by that statesman. Why then should the language of the French-speaking Canadians be ostracized by his present heirs and successors in office in the matter of the official cheques of this confederated country of ours—and this in spite of the precedents which the same government and party has itself created?

This astonishing example of inconsistency was admitted recently by a member of the government itself, when he stated spontaneously in Windsor on April 17, in the course of an address delivered to a social club: "I fail to understand why in a bilingual country like ours, old age pension cheques are issued in English only outside the province of Quebec." Those were the exact words used by the Minister of National Health and Welfare, and I never used clearer and more emphatic terms on the subject myself. In order to be fair to the honourable member for Essex East, I must add that he was careful enough to mention that he was expressing only his own personal views. The fact remains that the minister's opinion corresponds exactly to the one I am now expressing on behalf of such a large number of dissatisfied Canadians, among whom are many English-speaking citizens, both in and out of parliament.

So honourable senators will readily see that there is no revolutionary motive behind this resolution of ours. The millions of loyal Canadians, whose sentiments we are fully conscious of expressing, are not questioning the good intention of the government—they are simply asking the powers that be to realize the failure of their experiment, the general disappointment and dissatisfaction it has created throughout the whole country, and to revise their attitude accordingly, for the sake of greater peace and contentment among the two largest groups of our population, and also for the sake of economy. Nobody will make me believe, in fact, that the printing of two sets of cheques is costing less than the printing of one. On the other hand, I take into account the fact that government cheques are printed in large numbers at one time, and that it would be quite a loss to discard all of a sudden a large number of those which are already printed. It is precisely with that in view that the words "at its earliest convenience" have been included in the motion. The motion is, therefore not an ultimatum, so to speak, but a respectful request to the government to remedy the situation as best it can. May we hope that it will at last recognize that our

position is sound, legitimate and reasonable? That is our whole wish and desire, as expressed in this motion.

I shall add very little to what I have already said, since I covered the whole subject in a previous speech, at the beginning of the present session, in the debate on the Address in reply to the Speech from the Throne. Anyone can read the account of my remarks in the official report of the Debates of the Senate, at page 72.

I must say, however, that I have not been as fortunate as my honourable friend from Kennebec (Hon. Mr. Vaillancourt), who some time last year in this chamber expressed the wish that senators' identification cards be made bilingual, and whose wish was acquiesced in on the very next issue of those cards. Almost four months ago I similarly called the attention of the government to the unfair discrimination I have just mentioned, but in spite of the thousands of requests the government has received since from all sections of Canada, nothing has been done so far along the lines I then suggested. I hope that this time a little more attention will be paid to what is said in this chamber.

Honourable senators, a beautiful symbol of Canadian unity stands on one of the most picturesque spots of Ontario. It is to the eternal credit of my province of adoption that the illustrious Samuel de Champlain, called "le pere de la Nouvelle France", for ever lives in bronze on the marvellous shores of Lake Simcoe, in the very heart of the most English province of Canada. That imposing statue, of gigantic proportions, is a monument not only to the glorious memory of a great explorer, but also to the broadmindedness and true patriotism of those who contributed to its erection; and particularly so because, on that statue there eternally shine two inscriptions, one in English and one in French, confirming and perpetuating the noble endeavour of the great statesman who once made possible the everlasting union of two great races on this North American continent. Let us draw from that wonderful symbol the lofty inspiration it conveys, and let us never miss an occasion to reaffirm our determination to live in peace and harmony, because of our intelligent understanding of the elementary rules of justice and fair-play in this great and beloved Canada of ours.

Hon. Mr. Davis: Honourable senators, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE BILL

FIRST READING

A message was received from the House of Commons with Bill 306, an Act to amend the Combines Investigation Act and the Criminal Code.

The bill was read the first time.

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

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

COLD STORAGE BILL

FIRST READING

A message was received from the House of Commons with Bill 335, an Act to amend the Cold Storage Act.

The bill was read the first time.

MOTION FOR SECOND READING

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

Hon. Mr. Robertson: Honourable senators, I referred to this bill earlier tonight. I had intended to ask for permission to move the second reading at this sitting, but unfortunately the machinery of distribution has fallen down, and copies of the bill as read the third time in the other house have not been distributed to honourable members here. In the circumstances, perhaps the only thing I can do is to move, with leave, that the motion for second reading be placed on the Order Paper for tomorrow, and at tomorrow's sitting to ask that it be dealt with as expeditiously as can reasonably be done.

The motion was agreed to, and the motion for second reading was ordered to be placed on the Order Paper for tomorrow.

PRIVATE BILL

SUSPENSION OF RULE

On the Orders of the Day:

Hon. Mr. Hardy: Honourable senators, I wish to make a motion relating to the second reading of Bill O-11, which I am sponsoring, but I do not know whether I should move it now or after we have dealt with item No. 2 on today's Order Paper. I think perhaps I had better make my motion now, and I crave unanimous consent of the Senate for it. The motion is:

That rule 119 be suspended so far as it relates to Bill O-11, entitled an Act to incorporate Ogdensburg Bridge Authority.

The purpose of this motion is to suspend application of Rule 119 which requires one

week's notice of the consideration of a private bill by the committee to which it is referred. I would ask for unanimous consent of the Senate to this somewhat unusual procedure.

The motion was agreed to.

SECOND READING

Hon. A. C. Hardy moved the second reading of Bill O-11, an Act to incorporate Ogdensburg Bridge Authority.

He said: Honourable senators, this bill is in itself self-explanatory. Briefly, it is a bill to incorporate an authority to build a bridge across the St. Lawrence River between the city of Ogdensburg, in the State of New York, and the town of Prescott, in the Province of Ontario.

I do not propose to follow the procedure adopted in the Senate during the past few years, of explaining legislation section by section. I think it will suffice if I speak only to the general principle of the measure, the expediency and advisability of the construction of this bridge, and leave the details for examination by the committee to which the bill is referred.

I may say that the bill follows the form of several similar measures which already have been passed by the Parliament of Canada. At least two of those measures which expired by reason of the lapse of time, had to do with a bridge at Ogdensburg; a third had to do with the building of the Thousand Islands Bridge at Ivy Lea, in the province of Ontario.

An authority to build this bridge, so far as the State of New York is concerned, has already been incorporated by the legislature of that state. It follows very closely the form of the Thousand Islands Bridge authority.

Two points in the bill will require careful examination in committee, namely, the power to expropriate lands and other property to carry on the construction, and the vitally important provision concerning navigation. The bridge will span the St. Lawrence River at the deep channel, but it is provided that navigation will be protected in every way. As to the expropriation of property and compensation therefor, the bill provides that compensation shall be made for any property that may be expropriated, or for damage caused in any way by the construction of either the bridge or its approaches. Because of the low-lying banks on both sides of the St. Lawrence River—which is about a mile or a mile and a quarter across at the particular point—the approaches on each side will be quite extensive, and will extend back probably a mile or two or even more. The municipalities through which these approaches will be built are fully protected, as will be seen when the bill is examined in detail.

Compensation had to be paid to the ferry company at Ogdensburg for the very valuable franchise which had been granted to it in perpetuity. This ferry has been operated by at least three generations of the same family. The delay in bringing this measure before Parliament has been largely due to the time consumed in making the necessary arrangements with the owners of the franchise. The Legislature of the State of New York insisted upon proper compensation in this regard, and only within the past few weeks has final settlement in an amount between $450,000 and $500,000 been reached. This matter was satisfactorily settled before the New York Legislature issued the charter.

Navigation, as I have said, will be fully protected in every way. The work of construction must be started within three years after the approval of the plans submitted to the Governor in Council. It is altogether probable that the Board of Transport Commissioners will be delegated to deal not only with the plans affecting navigation, but also with toll rates and other matters of that kind. I should like to say specifically that this is to be a toll bridge.

The cost of the construction will be something in the order of $10 million. The work will be financed from private funds to be raised through bond issues and such other securities as the authority made decide upon. No part of the cost of the operation will be paid out of public funds either from Canada or New York State. Plans have already been made with a large banking corporation to look after the issue of these bonds. It is notable that when the bonds and other obligations become paid up, that part of the bridge extending over Canadian water and land will be handed over at no cost to the Government of Canada, and similarly, that part of the bridge extending over the territory of the United States will be handed over to the State of New York.

As I have said, construction must begin within a period of three years after the approval of the plan. Needless to say, before construction can begin there must be considerable exploration of both the approaches and the bed of the river. When the Thousand Islands Bridge was constructed it was built on a series of islands consisting almost entirely of rock, and no engineering problem was involved. In the present case, I believe, very considerable tests and examinations of the soil in the vicinity will be necessary.

The bill provides that the bridge shall be built from a point in Ogdensburg to a point in Prescott, or four or five miles easterly or

westerly, the purpose being to give the authority an opportunity to find what kind of soil is best suited for the foundations.

So much for the bill. If the Senate will bear with me for a moment I would like to say a few words about the general situation in that part of Eastern Ontario. There is an old railroad bridge which was built on a low level from Cornwall to the United States side, and about twenty-five years ago, by Act of parliament, it was converted into a vehicular bridge upon being floored over. I think it served fairly well. Whether it will be abolished when the deep waterway is constructed is a question which I am not competent to discuss, but I am inclined to think that it will be flooded. Fifteen or sixteen years ago the Thousand Islands Bridge was built between Collins Landing, on the American side, and Ivy Lea, on the Canadian side. It extends for eight miles, and about three-quarters of it, or perhaps more, crosses a series of islands which are connected by segments of the bridge. The spans which connect respectively with Canadian and American soil are both lofty suspension structures one hundred and fifty feet above the water. The bridge contemplated in this bill will be at least as high. There are four other bridges of different types connecting the smaller islands, and a four-to-five-mile road traversing Wellesley Island.

Until the two main bridges I have mentioned traffic was carried across the St. Lawrence by ferries: one at Kingston—I am not sure whether it is running now or not—one at Gananoque, one at Rockport—a matter of a half-an-hour run—one at Brockville—about a fifteen-minute run—and one at Prescott, taking ten or fifteen minutes and a smaller ferry at Morrisburg. All these boats, except the one at Ogdensburg, were frozen up for from four-and-a-half to five-and-a-half months each year. The effect on traffic since the building of the Thousand Island Bridge can be easily imagined. Winter traffic has been going that way entirely from the western side, and I suppose the so-called Roosevelt Bridge—the old converted railway bridge—has been getting its share too. Prescott is thirty-five miles from the Ivy Lea Bridge on the west, and between forty-eight and forty-nine miles from Cornwall on the east. So this bridge will be about equidistant between those two points.

I was rather astonished to discover how much traffic is carried by the ferry between Prescott and Ogdensburg. Here is a brief summary of the figures covering movements of automobiles, trucks and passengers between the years 1948 and 1951:

	Autos	Trucks	Passengers
1948	64,643	636	579,871
1949	71,527	372	586,677
1950	80,587	1,474	667,842
1951	87,206*		678,653

*(Including trucks)

This is a much larger volume of traffic than I ever imagined existed between these two points, as the population of Prescott is only 3,000, and of Ogdensburg a little over 15,000.

One great advantage of this bridge will be its attraction to tourists. At the present time Canada is somewhat worried about its share of the tourist industry. The sponsors of this bill have reports from engineers indicating that in their experience a bridge over navigable waters which replaces a ferry will double traffic in the first year of its existence.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Hardy: I move that the bill be referred to the Committee on Transport and Communications, which is the body that usually handles bills having to do with bridges.

The motion was agreed to.

B.N.A. ACTS AMENDMENT (READJUSTMENT OF REPRESENTATION IN COMMONS) BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 331, an Act to amend the British North America Acts, 1867 to 1951, with respect to the Readjustment of Representation in the House of Commons.

He said: Honourable senators, it is proposed by this bill to amend the British North America Act so as to place within it a further rule applicable to the present readjustment of representation in the House of Commons, and to future ones as well. This rule envisages the establishment of a "floor" whereby the representation of any province shall not fall by more than 15 per cent at any one readjustment; subject, however, to the qualification that the rule shall not work in such a manner that the representation of a province with a smaller population shall be greater than that of a province with a larger population. The bill also increases the membership of the House of Commons by one member, so that representation can be given to the Mackenzie District, separate and distinct from the Yukon.

The insertion in section 51 of the British North America Act of a rule establishing a "floor" is not unusual in the history of representation in the House of Commons. There have been other occasions when such rules have been applied. Honourable senators may recall the so-called one-twentieth rule which existed up to 1946. This had the effect of providing a floor which, during its operation, affected the representation of the Maritimes and Ontario. During the time the rule was in force until 1915, when a new "floor" was established, an unanticipated development of the West had the result of decreasing Maritime representation in the House of Commons from decade to decade. Therefore the one-twentieth rule did not adequately meet the situation.

The problem today is the reverse, and concerns the great difference which would take place in the representation of the prairie provinces if the present rules in regard to representation were to apply. It will have to be decided whether it is desirable to follow the strict rules, or whether it is desirable to import into section 51 of the B.N.A. Act the additional "floor" I have mentioned.

I think it is recognized that there is a considerable disparity of representation in the various provinces. There are constituencies with large populations and with small populations, and apparently this condition will continue from census to census because of peculiar situations and the desire to adhere to other rules which would give representation of the kind that the House of Commons feels should be given. It is a generally accepted rule that the representation from rural areas should be greater than a strict counting of heads would indicate, but there has been no agreement as to precisely how much greater it should be. For this reason, among others, it has been urged that the province of Saskatchewan, particularly, should receive some temporary consideration in the matter of representation.

To achieve this end it seemed best to present two bills, one to amend the British North America Act, by substituting in section 51 the "floor" which has been suggested, and one to carry out the rules which would then apply to representation in the House of Commons.

The bill before us provides for the existing rules, in so far as they go. It also provides the additional floor for any province which qualifies according to the definition in rule 5 of section 1. The immediate result, after the representation bill is passed, will be that under these rules, if adopted, the Province of Saskatchewan will have seventeen members instead of fifteen. It is hoped that this will be the only result, and that as time goes on the western provinces will again increase in population and command an even greater representation.

I am certain that honourable senators are unanimous in their recognition of the great contribution the West has made to parliament and to the national life of Canada as a whole. It would be unfortunate if our parliamentary representation were to fluctuate so greatly that it would have to be changed from one census to the next. For that reason, and bearing in mind the fact that this principle greatly resembles the "floors" which have existed in the past in relation to the representation in the House of Commons, I would ask for the second reading of this bill.

Hon. John T. Haig: Honourable senators, I do not proposed to go into the merits of the readjustment of representation as outlined in this legislation, but I should like to recall some recent history. First of all I would point out that this marks the first time that the Parliament of Canada has ever been asked to amend the British North America Act. We are breaking new territory tonight. It may be said that from time to time since 1867 amendments have been made to the B.N.A. Act, but these have only been brought about as a result of joint resolutions of the Canadian Senate and of the House of Commons submitted to the Imperial Parliament at Westminster. It so happens that the Imperial Parliament never refused to ratify these requested amendments. It seems that in nearly every second or third session since I have been a member of the Senate we have had before us a resolution requesting the Parliament at Westminster to pass legislation amending the British North America Act; but, frankly, I think that the method we are now pursuing is the better one. However, I am perturbed about one thing. It was raised in the other place, and has been in my mind for a considerable time. When the present Prime Minister came into office he let the idea get abroad—I do not say he expressed it in so many words—that one way in which he would like to contribute to the development of Canada would be by obtaining for parliament the right to amend our own constitution. With that aim I entirely agree, but the difficulties of achieving it are very great. A few years ago when the matter was proposed I felt there would be tremendous difficulty in putting through legislation on the basis of which the parliament at Westminster could pass an Act that would for ever confer upon Canada the power to amend its own constitution within the purview of the agreement arrived at between the dominion and the provinces.

I do not need to tell this house that there have been many conferences between the

provinces and the dominion with the object of reaching an understanding on the question of amendments to the constitution. Maybe I am pessimistic, but I do not think very much progress has been made. There is no doubt that we have the power to amend our own constitution as to any matter that is strictly within federal jurisdiction and could not by any stretch of the imagination be considered a provincial matter. In the other house a few nights ago the First Minister said that under the British North America Act, as amended within the last four or five years, any province has had the power to pass legislation dealing with matters within provincial jurisdiction, and he said he could see no reason why the parliament of Canada should not have the power to legislate on matters within its own jurisdiction. I cannot take a very serious objection to that stand.

But I am trying to look at the thing from the point of view of history. If you will pardon a personal reference, I may say that within the last two or three years I have read the history of Confederation pretty thoroughly. A couple of weeks ago I endeavoured to make a short address before a Rotary Club in Ontario, and for that purpose I looked into that history a little more closely. In my study of the subject I have been impressed by the tremendous amount of work that the active promoters of Confederation had to do between 1864 and 1867 in order to draft a bill that was acceptable to the then four provinces, namely, Upper and Lower Canada—now Ontario and Quebec—Nova Scotia and New Brunswick. Prince Edward Island and Newfoundland refused to come into confederation at that time, and of course the Northwest Territories and the Western Provinces were not incorporated until later on.

I think that legally we can pass this bill, and that our powers will not be questioned before the Supreme Court of Canada or any other tribunal. Now, I am one of those who would like to live long enough to see the Parliament of Canada empowered to amend our own constitution in every respect, but to my mind parliament can only acquire that power as the result of an agreement between the dominion and the provinces. The senator from Essex (Hon. Mr. Lacasse) when he spoke tonight, brought this point to my mind. This country, composed of two races, French and English, is the best living example in the world of how two distinct racial groups can live together happily and prosperously. Our history shows that in the past there have been many political disputes, but all have been settled to the general satisfaction.

I hope that many of us here will live long enough to deal with a proposed means for amending the British North America Act, not only in relation to matters within the jurisdiction of the dominion, but in relation to all matters that concern us. Undoubtedly, certain fundamental provisions would have to be embodied in the constitution—provisions dealing with, for instance, language, with religion, and with education. There are many other matters that would have to be specifically provided for, but these three are very important ones. The provisions respecting them would have to be so clearly stated that no province could have a shadow of a doubt as to the protection of its rights. If parliament were empowered with enabling legislation unfair to Manitoba, Saskatchewan, Alberta or British Columbia, I personally would be very much affected, for Western Canada is my country. Similarly, senators from Ontario, or Quebec, or the Maritime provinces, however desirous of having the dominion made the paramount constitutional power in this country, would naturally insist upon the protection of fundamental rights affecting the matters I have already mentioned and many others.

In my view—some of you may not agree with it—the test of any bill to give parliament full power to amend the British North America Act is this, that it should be such a bill as would have passed if there had been no confederation. I have had men say to me "Haig, you are a democrat, but why are you in favour of an appointed Senate? Why do you not seek to have a change made, so that men and women may be elected to the Senate by the people?" In reply I have explained that the reason why we have an appointed Senate is that it was a condition of confederation. You can talk as much as you like about it, but that is the simple fact. Without the provision that the Maritime provinces, Ontario and Quebec would each have twenty-four senators, confederation would never have been accomplished. On the whole whether confederation was a legislative Act, a compact or what have you, does not matter. We as senators should not only protect the rights of the provinces, but safeguard the minorities in the provinces. In that way only can we have a great, united and contented country.

There is in the minds of some people the thought that this measure is an attempt to get power to pass legislation without the consent of the provinces. For my part, I do not think that such action as is now proposed should ever be regarded as a precedent. For instance, to take an extreme case, if legislation were presented for the purpose of placing the control of education in the hands of the federal parliament, there would be an outcry that it could not be done. But why could not a government bring in such a

proposal if it wanted to? Bear in mind that there are many people in every province of Canada who are aware of the ever-increasing cost of education in this country. Expenditures for education are increasing so rapidly and getting so out of hand that real estate in Canada can scarcely bear the consequent burden of taxation. True, last year we voted $7 million to relieve the situation, but it was distributed in such a way that there could be no dispute about it.

By way of conclusion, although I will vote for the bill, I want it clearly understood, in case an amendment to the British North America Act is proposed in the future, that I protested against setting a precedent by the passage of the legislation now before us. When this bill passes, as far as I am concerned it will be "on division". Confederation contributed greatly to this country when it provided for a second chamber to protect minorities from being over-ridden by the majority.

I would point out that under this legislation Ontario will have 85 members in the House of Commons and Quebec will have 75—160 out of a total 263. True, Ontario and Quebec have seldom if ever voted together on any question, but mark my words, the minute a matter of business comes up the 160 members from the central provinces will vote on the same side. For instance, if those of us from Manitoba and the other western provinces were to attempt to block the St. Lawrence seaway project, Ontario and Quebec would flatly say, "It doesn't matter what the people of the West may think, we are going to build the seaway." Does anyone think for a moment that these two central provinces would give up the development of electrical power on the St. Lawrence because someone from Manitoba or Nova Scotia opposed it?

I do not want at this time to make any concession which will in the slightest degree bar me from raising a question when, if ever, we come to the matter of amending our own constitution. I do not intend to raise any question on the grounds of religion or language, but I believe that we can never have a great nation unless every part of Canada feels that under our constitution it is fully and amply protected. A government may be able to pass legislation which is unpopular from a business standpoint, but when it touches the great fundamentals such as education, religion and language, it touches the very heart of the people. We as senators have a special responsibility to see that our constitution is not amended in such a way as to make the people in any part of Canada feel in their hearts that they are not getting a fair deal, one with the other.

I do not intend to vote against the bill. I am glad to hear that something is being done for the Province of Saskatchewan. I would point out that that province is represented on this side of the house by two—three—

An Hon. Senator: Keep it up.

Hon. Mr. Haig: —four, distinguished Conservative senators. I do not know how they all got here, but it seems that the majority of the Saskatchewan members here are Conservatives, and this is the only body in Canada today where that is the case. The problems of Saskatchewan, a sister province of Manitoba, are to a large extent the problems of Manitoba. We do not have the oil resources of Alberta or the industries of British Columbia; our population is made up largely of honest farmers who are anxious to make good in the Dominion of Canada.

I am confident that all of us, as senators, regardless of where we come from, want to feel that we are doing our share to make this is a better country than it is now.

Some Hon. Senators: Hear, hear.

Hon. Mr. Burchill: May I ask a question of my honourable friend? Am I to infer from what he has said that it would be necessary to have a conference with the provinces before he would feel safe in having the Parliament of Canada adopt such legislation?

Hon. Mr. Haig: No. I did not say that. I say that I am sorry the government has thought it necessary to pass this bill before it proceeds with the redistribution bill. I am not clear in my own mind whether this step is legally necessary. I am, however, aware of the change in conditions in the Province of Saskatchewan, and what that province has been through; and I am pleased that the honourable leader of the government pointed out that the proposed reduction in the representation of that province has been changed from five to three. I am not saying that there should be a conference about such a situation. I am most emphatic, however, in my attempt to avoid being left open to criticism because I failed to protest against the measure now before us. Regardless of whether or not there should be a conference, my position is clear; I do not think there should be any change in our constitution until all parts of Canada have had an opportunity to express themselves on it.

Hon. Mr. Beaubien: Even if it concerns this parliament only?

Hon. Mr. Haig: Well, that is a very vexed question.

Hon. Mr. Beaubien: I am just asking for information.

Hon. Mr. Haig: When you start to give concessions you are on dangerous ground, for

you are to some extent setting a precedent. Only the other day, for the first time in 85 years, members of the press were allowed to sit in at the hearings before the Divorce Committee of this house. While there was no legislation prohibiting their admission to the committee room, the practice had been built up and it became more or less a precedent. Well, some of us decided to change it.

Hon. Mr. Aseltine: You did it when I was away.

Hon. Mr. Haig: I do not think we should amend the British North America Act until an opportunity has been given to all concerned to say whether or not they want such a change. In this case negotiations are going on and no agreement has been reached. While I do not go so far as to insist on a conference, I do not want an undesirable precedent to be set.

Hon. Mr. Burchill: On the previous occasion to which my honourable friend referred, when the constitution was amended by way of petition to the Government of the United Kingdom, was a conference held, or was there any action other than a resolution of parliament?

Hon. Mr. Haig: I am very sorry to have to admit that I sat here in this house and voted for the resolution. At the time I thought I should not do so, but I was not then quite firmly in the saddle as leader of our party, and I thought it better to go slowly. However, I was a little uneasy.

Hon. Mr. Reid: In view of the remarks of the honourable leader of the opposition (Hon. Mr. Haig) may I direct a question to the honourable government leader (Hon. Mr. Robertson)? I realize that the legislation with which we are dealing pertains to representation in the other house, and that it can properly and rightly be said that senators should not be too greatly exercised about or interested in that subject. The fact remains, however, that history is being made tonight, and a realization of it should come home to each and every one of us. We are about to change a part of the British North America Act; and there is a feeling, both within and outside this chamber, that, while we are now dealing directly with a matter affecting federal powers, changes in other directions may follow. One that has been mentioned is the control of education. We know that there is in this country an element possessed of considerable driving force which is determined to place education under the federal authority for one purpose only—to secure financial aid.

The Hon. the Speaker: I must remind the honourable senator that he began his remarks by saying that he had a question to direct to the leader of the government. What he has said is not a question, but a speech. Although the honourable senator has the right to make a speech—

Hon. Mr. Reid: What is wrong with a speech?

The Hon. the Speaker: If the honourable senator is making an address he will be barred from speaking again on the same motion.

Hon. Mr. Reid: I have the privilege and the right to speak; and when I ask a question I can make some remarks by way of introduction.

The Hon. the Speaker: During the very few minutes the honourable senator has spoken I have not heard any question.

Hon. Mr. Reid: If His Honour will possess his soul in patience, the question will come in due course.

The Hon. the Speaker: I repeat that the honourable senator must first put his question, and he may then add a few words in support of it. So far he has not stated his question, although he has spoken for a few minutes. This is a friendly notice that he will forfeit the right to speak again on this matter.

Hon. Mr. Reid: I will direct a question to the leader, but I must say that I can never get used to these rules; in one way or another I transgress them, and then I am called to order. I do not suppose there can be one rule for one person and another rule for someone else.

The Hon. the Speaker: I may repeat part of what I have already said. If the honourable member wants to ask a question he should first put his question, and if some elaboration is necessary he may say a few words about it, but he should not make a speech or an address. As I have said, so far the honourable senator has spoken for some minutes without disclosing what he is going to ask. If that practice were followed, there would be no limit to the length of remarks connected with a question. That is why I am warning the honourable senator that if he continues he will have exhausted his right to speak on this legislation.

Hon. Mr. Reid: I will start all over again, honourable senators, I will begin right at the beginning, and you can wipe out all that was said. I rise to ask my question in the light of the remarks of the leader of the opposition (Mr. Haig). It is this: Will the present legislation be a precedent for future legislation under the British North America Act with respect to such matters as education? That is the inquiry I had in mind, and the remarks I made were quite applicable to it. I said that in this country there are those who have some doubt as to where we are

going when we start to change the British North America Act. When I get an answer to my question, perhaps I can speak on it. There is nothing I am more anxious to do than to keep within the rules of this chamber: it seems, unfortunately, that I transgress them quite often. Afterwards, if I have the right to do so, I shall speak.

Hon. Mr. Robertson: I am quite prepared to answer the honourable senator's question. I can do so, specifically, now, or I am prepared to wait until the debate is over.

Hon. Mr. Reid: I wanted to make a few remarks. I want also to keep to the rules. It was not I who raised this question of procedure; it was His Honour the Speaker.

Hon. Mr. Haig: May I speak a moment on a question of privilege. I think the honourable member from New Westminster (Hon. Mr. Reid) is under a misapprehension, and I would not have it supposed that there is something wrong with our rules. The rule in this connection is that one honourable senator may put a question to another, as the honourable senator from Northumberland (Hon. Mr. Burchill) did in addressing questions to me; and I can answer as many times as I like, but a debate on such questions is not allowed. The honourable government leader (Hon. Mr. Robertson) may be asked a question, and he can deal with it when he closes the debate. The honourable senator from New Westminster (Hon. Mr. Reid) had better make his speech, and when the leader of the government rises at the close of the debate the honourable senator's questions could be put to him. The honourable member should not say he wants to ask a question, and then make a speech.

Hon. Mr. Reid: Is it not a fact that it has been cutomary to ask questions on a bill, and that there is a bill now before the house.

Hon. Mr. Haig: Yes, but the honourable senator was making a speech, which he should not have done. He can ask a question, but he cannot precede it with an address.

Hon. Mr. Reid: Where do I stand now? Do I continue?

The Hon. the Speaker: The honourable senator has the right to speak now on the bill if he wants to. I warned him that the remarks he was making partook of the nature of an address, and that if he continued he would deprive himself of the right to speak on this legislation.

Hon. Mr. Reid: Very well, I will finish my remarks when the honourable leader of the government closes the debate. I was saying that history is being made tonight, with this proposed change in the British North America Act, and I pointed out that all over this country there are people who would like to place education under federal authority because they desire to be relieved of a financial problem. Every municipality, every educational body, every provincial government complains of the heavy burden of taxation which education places on taxpayers, particularly those who are landowners.

With regard to representation, I have another question which the government leader may care to answer when he closes the debate. Certain provinces were allocated a definite number of members. I believe that at confederation Prince Edward Island, for example, was awarded six members, and that its representation can never fall below that figure.

I am wondering what the people of these provinces would say if as a result of industrial developments their populations doubled or trebled, and they found themselves restricted by the British North America Act to the same number of representatives allotted to them at the time of confederation. I suppose a further change could be made in the representation of these provinces. One cannot deny that a precedent is being created, and as far as I can see there is nothing to hinder any future government from changing the representation of any province now that Canada itself can amend the British North America Act.

Hon. Mr. Beaubien: An amendment would have to be sanctioned by parliament.

Hon. Mr. Reid: We are not asking the provinces to make any change. We are amending the British North America Act to ensure that the representation of certain provinces will not fall below 15 per cent at any one readjustment. It is a protection for certain provinces, but we are not asking the provinces to sanction this. We are putting it through ourselves.

Hon. Mr. Beaubien: The provinces have nothing to do with this; it concerns the federal government alone.

Hon. Mr. Reid: I know that.

Hon. Mr. Aseltine: But it affects the provinces plenty.

Hon. Mr. Reid: I would point out that if we take this action now no one can say what the representation of any province will be in the future, because any federal government may change the representation of any province at any time from now on. That is why I say a precedent is being established and history is being made tonight. It is argued that it is expedient to take this action at the present time because one of the provinces has lost considerable population, but we might as well realize that whenever any similar situation arises the government of the day may introduce legislation to remedy the situation. I am not saying whether this is good or bad; I am merely asking the government leader if this will establish a precedent in the way of

enacting amendments to the British North America Act in matters affecting provincial rights.

Hon. A. L. Beaubien: Honourable senators, I am not a lawyer, and I know little about constitutional matters. My recollection is that in 1949 the Parliament of Canada passed a resolution asking the Imperial Parliament to grant it the right to amend the B.N.A. Act in matters essentially pertaining to Canada as a whole, as distinguished from matters coming within the jurisdiction of the provinces or affecting the rights of any classes in the community. The Imperial Parliament subsequently assented to this resolution, and at this time all we are doing is exercising our new right. The legislation before us simply seeks to provide that the representation of any province in the House of Commons shall not fall by more than 15 per cent at any one readjustment. This is a question which is exclusively the concern of the dominion; it has nothing at all to do with the provinces. The provinces are only concerned with representation in their own legislatures, and they have full control over matters which come under their jurisdiction.

Hon. Mr. Aseltine: This concerns provincial representation in the federal parliament. It is not a provincial concern.

Hon. Mr. Beaubien: That is what I have been saying. The federal parliament has power to amend our constitution in limited fields only—in relation to things affecting Canada as a whole—and therefore I do not understand why fear has been expressed that education and other similar subjects may some day come under federal jurisdiction. At this time we are merely asked to amend the B.N.A. Act so as to prevent Saskatchewan from losing five seats in the federal house, and to permit it to retain seventeen.

Hon. Mr. Davies: The honourable senator from New Westminster (Hon. Mr. Reid) has asked the leader of the government whether this legislation, if passed, will act as a precedent. I do not think the leader of the government is in a position to answer this question. The government might change, and he obviously cannot say what any future government may do. I would like his views on this phase of the question.

Hon. Mr. Robertson: Honourable members—

The Hon. the Speaker: Honourable senators, I must point out that once the honourable leader of the government (Hon. Mr. Robertson) closes the debate no senator will have the right to speak on the second reading of this bill.

Some Hon. Senators: Proceed.

Hon. Mr. Robertson: Honourable senators, I have listened with great interest to the debate on this bill. I am not a constitutional authority, and I can only give my understanding of the legislation before the house. First of all, I must say that one point raised by the honourable leader opposite (Hon. Mr. Haig) seems reasonable. He was the first to point out that this was precedent-making legislation in that it marks the first occasion on which the Parliament of Canada has been asked to amend the B.N.A. Act. He also said it was hoped that in these uncertain times some agreement would be reached as to what are purely federal matters and what are purely provincial matters. He further stated that he wished it had not been considered necessary to amend the B.N.A. Act until these matters of jurisdiction were finally decided upon.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Robertson: He did not say that this subject did not properly come within the jurisdiction of the federal parliament.

I can also appreciate the concern shown by my colleague from New Westminster (Hon. Mr. Reid), and I can understand why he asked the specific question whether I, in my official capacity as government leader in this house, could give any indication whether this bill would be regarded as a precedent. And at one stage he questioned whether we were attempting to legislate in matters that are peculiarly the responsibility of the provinces. Of course, I do not for one moment admit that the question of how many members should compose the federal parliament is within the jurisdiction of the provinces. I am unable to produce any signed agreement by the provinces giving parliament exclusive jurisdiction in this matter, but the fact is that since Confederation there have been several occasions when the overall representation in the House of Commons was changed as a result of resolutions passed by both houses of parliament, forwarded to the then authority, the parliament at Westminster, and there translated into legislation; and in none of those instances, so far as I know, was the approval of the provinces asked for or given.

On the question of whether our action on the bill before us might in future be considered a precedent, I cannot of course look into the future and foresee what kind of legislation may be brought down by the present government or any other government, but I should suppose that no matter what party happened to be in office, it could not succeed in getting parliament to pass a bill unless both houses approved of it. That applies to a measure to change the representation in the House of Commons as well as to any other measure.

But my honourable friend asks whether what we are doing might become a precedent

for amendments of the British North America Act in relation to matters that are purely provincial. One way to answer that question is to consider what would have happened if the federal parliament had sought to have amendments of that kind made in the past. Under the procedure then followed, concurrent resolutions would have been passed by both houses and forwarded to Westminster, and if any province had objected that the federal parliament was seeking to encroach upon a matter of provincial rights, there would presumably have been a reference to the courts. Well, I take it that the courts will be appealed to in future if any province thinks that parliament is going beyond its jurisdiction in amending the British North America Act.

As honourable senators know, discussions have been going on for some time on the problem of how to set up machinery to amend our own constitution in any respect, as and when desired. There are a number of matters which it is commonly agreed are within the sole jurisdiction of the provinces. On the other hand, there are matters which I think most people would agree are by their very nature within the sole jurisdiction of the federal parliament. My own view is that representation in the House of Commons is in that category. But there are certain borderline matters which are not clearly within the jurisdiction either of parliament or the provincial legislatures, and it is conceivable that as time goes on the courts may be called upon to decide whether the federal or provincial authority has the power to legislate in these matters, as they arise. But I do not think any provincial rights or responsibilities will be endangered as a result of the power of parliament to amend our constitution. After all, the judgment of members of both houses will be brought to bear upon any measure to amend the constitution, as it was brought to bear in the past upon concurrent resolutions addressed to the parliament at Westminster. Since 1867 there have been a few occasions when this house has been called upon to prevent an apparent attempt at encroachment upon the rights of minorities, and should provincial rights ever appear to be jeopardized by federal legislation they would, I believe, be as fiercely defended here in the future as they were in the past. I think, honourable senators, that we need not regard this bill as a dangerous precedent or as giving any cause for alarm.

As I mentioned earlier, what we are considering here is by no means the first floor that has been placed under representation in the House of Commons. Reference was made to the provision for a certain minimum number of representatives from the province of Prince Edward Island. The amendment which specified that minimum did nothing more than establish a floor. If by some stroke of fortune the population of Prince Edward Island or of Nova Scotia increased much more rapidly than that of other parts of Canada, in due course the representation of those provinces in the House of Commons would no doubt be increased. The province of Nova Scotia not so long ago had twenty-one members, and its population then was larger than it is today. By reason of the rapid growth of the population in the rest of Canada, it became necessary to reduce the representation of Nova Scotia until it now has twelve members. The one-twentieth rule was intended to ease the severity of that sharp drop in Nova Scotia's representation; but such was the unanticipated growth of the West that the one-twentieth rule was not adequate to take care of the situation. A decision was then made to incorporate into the statutes of Canada the principle that representation of any province in the Commons would never drop below the number of senators from that province. That amendment was passed by the two houses of parliament, and the Imperial Parliament put it into legislative form.

What the future holds in matters of this kind remains to be seen, but I am confident that in the passage of a resolution, as in the passage of legislation, the great safeguard for all concerned is the prevailing sense of justice and fair play which characterizes the people of Canada as a whole, and which I should like to feel is reflected by their representatives in both houses of parliament.

Some Hon. Senators: Hear, hear.

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

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

Hon. Mr. Robertson: Do honourable senators feel that any purpose would be served by having this measure sent to a committee of the house?

Some Hon. Senators: No, no.

Hon. Mr. Golding: Third reading now.

Hon. Mr. Robertson: Although I am anxious to expedite this legislation, I think it would be wise to allow third reading to stand until tomorrow.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 17, 1952

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

Prayers and routine proceedings.

TREATY OF PEACE (JAPAN) BILL

FIRST READING

A message was received from the House of Commons with Bill 210, an Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

The bill was read the first time.

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

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

INTERNATIONAL BOUNDARY WATERS TREATY BILL

FIRST READING

A message was received from the House of Commons with Bill 333, an Act to amend the International Boundary Waters Treaty Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Honourable senators, if the house is agreeable, I would ask that this bill be placed on the Order Paper for second reading later today; but as there is no urgency about the bill I will not press for this. The amendments have to do merely with the salaries of members of the Canadian section of the International Joint Commission, and with one or two other details. Unless there is some objection, I move that the bill be placed on the Order Paper for second reading later today.

The motion was agreed to, and the motion for second reading of the bill was ordered to be placed on the Order Paper for this day.

BELLEVILLE HARBOUR COMMISSIONERS BILL

FIRST READING

Hon. Mr. Robertson presented Bill F-12, an Act to incorporate the Belleville Harbour Commissioners.

The bill was read the first time.

55708—29½

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

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

SUSPENSION OF RULES

MOTION

Hon. Mr. Robertson moved:

That for the balance of the present session Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

He said: As honourable senators are aware, this is a motion that is moved at this stage of each session. The purpose of this suspension is to expedite legislation that comes before the house in the latter days of the session, but it does not preclude the exercise of the will of the majority.

The motion was agreed to.

TRADE MARKS BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill P-11, an Act relating to Trade Marks and Unfair Competition.

Hon. F. G. Bradley (Secretary of State): Honourable senators, this bill revises and consolidates the Unfair Competition Act of 1932, which as a matter of fact has been in force since September 1 of that year, and other statutory provisions relating to trade marks, trade names, and acts of unfair competition. As the main subject dealt with is trade marks, the short title provided for in section 1 of the bill is "The Trade Marks Act".

As many criticisms had been directed against the provisions of the Unfair Competition Act, and their interpretation and application had given rise to much dissatisfaction, in the fall of 1947 the then Secretary of State entrusted to an advisory committee of experts in this field of law the task of studying the representations and suggestions already submitted, of securing further views from organizations and individuals who might appear to have an interest in the matter, and of making recommendations for the drafting of new legislation or, if deemed advisable, of submitting a draft statute for consideration. In addition to legal practitioners specializing in, amongst other fields, the law of trade marks, and officials administering the Unfair Competition Act, the said committee includes representatives of the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, and the Patent Institute of Canada. More recently an official of the Department of Justice has also taken part in the work.

At an early stage of the committee's work questionnaires were distributed to and representations received from interested persons and bodies in Canada, the United Kingdom and the United States, including the Patent Institute of Canada, the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Board of Trade and the City of Toronto, the Law Society of Upper Canada, the United States Trade Marks Association, the Chartered Institute of Patent Agents of the United Kingdom, and the Trade Marks, Patents and Designs Federation of the United Kingdom. Copies of the questionnaires were distributed to their members by the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Patent Institute of Canada, and the Association of Canadian Advertisers. A questionnaire was also published in the *Canadian Bar Review* and in the *Ontario Weekly Notes*. Notice of the activities of the committee was published by the *Journal* of the Patent Office Society of the United States, and mention of its work and objects was made in the daily press of Canada.

The committee has been in contact with other departments of the Government of Canada having an interest in some of the proposed provisions: namely, the Department of Trade and Commerce, the Department of National Revenue, and, more particularly, the Department of Customs and Excise, and the Department of Finance, as well as the Royal Canadian Mounted Police, the Statute Revision Committee, and the Criminal Code Revision Commission.

The committee has held an average of half a dozen meetings every year over a period of approximately four years. Between those meetings special committees or individual members of the committee did a considerable amount of work and devoted considerable time to the committee's task, and a little over a year ago the committee produced the first printed draft of the bill, which it circulated amongst substantially the same organizations and individuals as had received the questionnaires, more particularly those who had indicated an interest in the subject. It also made copies available to others who signified a desire to receive them.

As a consequence, further representations were received, either indicating general approval of that first draft or containing helpful criticisms and suggestions for improvements. The same treatment was accorded to the later submissions as had been accorded to those received by the committee upon the questionnaires circulated by it at the beginning of its work: that is, they were carefully considered, and any suggestions that appeared to the committee to be reasonable and helpful were adopted and were incorporated in the committee's last draft, which has become the bill now before this house.

I hope that the foregoing will not give the impression that we pretend to have produced a bill which meets all views. On a branch of the law which is of such a technical character and at the same time of such practical importance to commerce, industry and the legal profession, it is obviously impossible to achieve unanimity of opinion upon all points and proposals. It is for these very reasons that it is intended to afford all concerned an opportunity to give full consideration to and make representations on this bill as introduced. The intention is, more precisely, to have the special committee make the bill available to interested organizations and persons, to consider any criticisms and suggestions that may be received in connection therewith and, if necessary, to recommend changes. It is also intended to prepare a detailed explanatory report, which it will probably be found advantageous to print and publish a few months hence. Such a report might prove useful in the administration and in the interpretation of new legislation if it is adopted.

One precedent for this is the *Goshen Report* on the 1938 legislation relating to trade marks in the United Kingdom.

I should like now to summarize briefly the main changes that this bill will bring about in the existing law. First, it will effect the elimination of the arbitrary division of trade marks into word marks and design marks introduced by the Unfair Competition Act, 1932. Second, it will provide a more adequate definition of what constitutes a trade mark in the light of modern commercial practice. Third, it will deal with the applicability of trade marks to services in addition to wares. Fourth, it will bring about a relaxation of the rigid rules applying to the assignment and licence of trade marks. Fifth, it will result in a clarification of the principles governing the ownership of trade marks in Canada and the persons entitled to registration, including the right to file an application for registration prior to commencing actual use. Sixth, it will provide for publication of trade mark applications and for opposition procedure. Seventh, it will endeavour to gather into one compendious whole the provisions contained in various statutes relating to prohibitions against adoption and use of marks and symbols such as those used by the Boy Scouts, the insignia of the Armed Forces, and university emblems.

I should like to add that special care has also been taken to ensure that the provisions

of the bill are in accord with Canada's obligations under the Convention of the Union of Paris for the Protection of Industrial Property, including the London Amendments of 1934, to which Canada adhered in 1951.

Hon. Mr. Reid: May I ask whether it is the intention of the government to proceed with the bill this session or to have it stand over until next session?

Hon. Mr. Robertson: Honourable senators, I believe that some time ago I made a statement about this bill, and for the benefit of those who were not present then I will repeat it. The government does not intend to proceed with the bill this session, but should the Senate see fit to pass the motion for second reading, I will move a reference to the Committee on Banking and Commerce. The purpose of bringing the measure down at this time is that it may be studied by all persons interested, and the plan is to reintroduce it next session and proceed with it then.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

GOVERNMENT PROPERTY TRAFFIC BILL

COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill D-11, an Act for the control of traffic on government property.

Hon. Mr. Robertson: Honourable senators, I move that these amendments be concurred in.

Perhaps I should give a brief explanation. The bill passed by the Senate authorized the Governor in Council to make regulations for the control of traffic upon any lands belonging to Her Majesty in right of Canada. The purpose of the amendments made by the House of Commons is to extend the authority so that regulations may be made to control traffic upon lands which are occupied by Her Majesty, as well as upon lands belonging to Her Majesty. I am informed by the Law Clerk of the Senate that that is all there is to the amendments made by the Commons, and it seems to me that there is nothing in them which would not meet with the approval of this house.

The motion was agreed to, and the amendments were concurred in.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE BILL

ORDER FOR SECOND READING POSTPONED

On the Order:

Second reading of Bill 306, an Act to amend the Combines Investigation Act and the Criminal Code:

Hon. Mr. Robertson: Honourable senators, I would ask that this order, which stands in my name, be postponed until tomorrow. The senator from Toronto-Trinity (Hon. Mr. Roebuck) will explain the bill at that time, and the interval will give honourable members an opportunity to study the measure.

COLD STORAGE BILL

SECOND READING

Hon. John A. McDonald moved the second reading of Bill 335, an Act to amend the Cold Storage Act.

Hon. Mr. Aseltine: Honourable senators, the gentleman from King's (Hon. Mr. McDonald) is standing a little too far away to be heard very well on our side of the chamber, and I would suggest that he take a seat in the front row, by the side of the senator from Churchill, (Hon. Mr. Crerar).

Hon. Mr. Beaubien: He might get some inspiration there.

Hon. Mr. McDonald: I am only too glad to act upon the suggestion.

Honourable senators this bill contains three suggested changes to the present Cold Storage Act.

The first two changes are to section 5 of the Act. It is proposed that the present subsection 5 be repealed, and the first change in the new section 5 would give the Governor in Council authority to increase from 30 per cent to 33⅓ per cent the subsidy on warehouse projects which are approved by the cold storage engineers. The second change in section 5 would authorize the Governor in Council to pay these subsidies as soon as the buildings are completed and approved by the cold storage engineers. This is quite a departure from what has been the practice under the present legislation, whereby the subsidies were paid in five instalments over a four-year period.

The only other suggested change is found in section 2 of the bill. This will allow the Governor in Council to pay in full, as soon as the legislation is passed, the outstanding instalments of subsidies that have become payable under old contracts.

Honourable senators perhaps have studied the cold storage estimates shown on pages 108, 109, 110 and 111 of the main estimates for the present fiscal year, and will have

noticed that there is a sum of $446,066 to be expended this year. The details for the various provinces are given there. Since these estimates were made up new applications have come in, and the cost of granting these, together with the sums needed to pay the outstanding instalments due on old contracts, will require the submission of supplementary estimates later in the session. In round figures they will amount to about $832,000. I am mentioning this fact now because the supplementary estimates often do not come to us until the last day or so of the session.

I have here a statement showing the number of warehouses constructed, and the expenditures by provinces, since the inception of the Act, in 1907. One senator—I think it was the gentleman from Rosetown (Hon. Mr. Aseltine)—said he would be interested in having this information, and I am glad to present it. It should be kept in mind that a number of provinces do not seem to have benefited from the Act as much as others. The reason is, of course, that grain, the main food product of those provinces which have not used the Act extensively, requires heat rather than cold storage for proper keeping purposes.

I am sure that all who have had experience in trying to see that perishable food products are marketed in good condition and to the greatest advantage of the consumer as well as of the producer will agree with me that the Act has been of very great assistance. The reason for the suggested change is that in the larger producing areas and shipping centres there are still to be found instances of food being wasted because of lack of cold storage facilities. The minister, speaking in the other place yesterday, gave as a further reason for the proposed change his belief that with the subsidy of an even one-third the provinces might be encouraged to co-operate with the federal government in making a contribution towards the building and equipping of cold storage warehouses in the primary producing areas.

The following table sets out the number of warehouses and the subsidies received, by provinces, since the inception of the Act in 1907.

Province	No.	Amount of Subsidy
Prince Edward Island	7	$ 42,349.30
Nova Scotia	20	1,190,892.22
New Brunswick	7	218,488.72
Quebec	30	516,251.45
Ontario	57	1,802,339.36
Manitoba	7	606,559.34
Saskatchewan	14	176,201.96
Alberta	5	142,347.26
British Columbia	64	2,815,429.28
Total	211	$7,150,858.79

It may seem that Nova Scotia has received more than its fair share in subsidies, but in this respect I would point out that the refrigeration facilities serve our extensive fruit producing areas in the Cornwallis and Annapolis valleys; in addition to providing storage for eggs, poultry and some dairy products. British Columbia, with her large fruit district of the Okanagan Valley is in somewhat the same position as Nova Scotia.

This bill, honourable senators, does not seem to be complicated, and perhaps needs no further explanation.

Hon. Mr. Aseltine: I should like to ask the honourable senator a question. How much money is likely to be required of the increase in subsidy from 30 per cent to 33⅓ per cent, as applied to the current fiscal year?

Hon. Mr. McDonald: In reply to the question of the honourable member from Rosetown, I may say that I tried to get some estimate from the appropriate officials of the department, but they were loathe to give any figure, the reason being that they have no way of telling how many applications for assistance in the construction of warehouses will be received. I understand that from year to year the requirements vary greatly. For instance, in the year before last the expenditure was in excess of $900,000, while last year the total was $503,000. According to the first estimates for this year, the subsidies will total something like $446,000. Assuming that the annual average expenditure is about half a million dollars, the increase in subsidies would amount to about $26,000 or $25,000, but that is only a very rough estimate.

Hon. Mr. Aseltine: I did not quite understand whether the amount of $832,000 was by way of a supplementary estimate, or whether it included the $446,000.

Hon. Mr. McDonald: I asked the officials of the department how they proposed to pay the outstanding instalments, if this bill were passed. They replied that they were planning on a supplementary estimate to take care of that and the applications which have come in since the early estimates were made. The total supplementaries, they thought, would amount to something less than $832,000.

Hon. Mr. Robertson: More than the first estimate of $446,000?

Hon. Mr. McDonald: Yes. But after the outstanding instalments are paid off, the cost to the government in any one year will not be more than under the existing arrangement.

The passage of the bill will be of considerable advantage to co-operatives and other

people who instal cold storage facilities. Some interest costs will be saved by reason of the fact that the federal grant will reach them sooner than it did under existing legislation.

Hon. Mr. Aseltine: That explanation is quite satisfactory, but there is one other point on which I should like to be enlightened. Does this increase in subsidy apply only to new warehouses, or is it retroactive? Is some of the cost included in the $832,000 of supplementary estimates?

Hon. Mr. McDonald: Honourable senators, it is a little difficult for me to answer that question. Perhaps I could get the information for the honourable member.

Hon. Mr. Aseltine: Will you make a note of the question? Perhaps the information may be made available to us when the bill goes to committee?

Hon. Mr. McDonald: Yes.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Honourable senators, this bill properly belongs to the Standing Committee on Natural Resources, but as there is some urgency about its passage and the Banking and Commerce Committee has a meeting tomorrow morning, perhaps there would be no objection to its being considered by that committee. I would therefore move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

B.N.A. ACTS AMENDMENT (READJUSTMENT OF REPRESENTATION IN COMMONS) BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 331, an Act to amend the British North America Acts, 1867 to 1951, with respect to the Readjustment of Representation in the House of Commons.

Hon. Arthur Marcotte: Honourable senators, I wish first to thank the honourable leader of the house for extending to me the privilege of speaking at this time. Unfortunately, although I have had the assistance of three men who are doing some research for me, I have not yet got the authorities I would like to have. Further, my hearing aid has broken down, and I cannot understand two words of what is said in the house.

I intended to revert to a remark I made some three years ago when an amendment was passed which changed the number of seats apportioned to the province of Quebec. My contention at that time was that the federal government had no power to disregard the agreement entered into at the time of confederation. That argument was then not unreasonable; and I am glad that my honourable leader (Hon. Mr. Haig) has changed some of his views on this matter. I glanced at the speech he made yesterday and noted that he had the courage to admit that he had corrected some of his opinions; and I am sure that, should history repeat itself, instead of having to fight the battle alone I shall find him at my side. However, this is a matter of past history, and I offer no objection to the present revision, because I do not think there is any doubt that the federal government has a right to do what it is now seeking to do.

I wish, however, to refer for a moment to an address made by the honourable senator from Ottawa (Hon. Mr. Lambert) on February 21, 1951. As reported at page 147 of our Debates, he said, referring to the proposed amendment:

> It was strongly represented at that time that the provinces should have been consulted before such action was taken, and this representation was made so forcibly that the Prime Minister gave definite undertakings that the application of the B.N.A. Act (1949) No. 2 would be held in abeyance pending the production by the provinces of a better method of amending the constitution. If honourable senators are interested in reading the statements, I would refer them to pages 46, 49 and 69 of the report of the proceedings of the conference between the provinces and the dominion of January last.

There is no doubt that that statement is correct. I took the trouble to find out the facts, and in an address about that time I cited the promise made by the Prime Minister that no action would be taken on the amendment giving us power to do certain things until an agreement was reached with the provinces, and his statement that this was the better way of arriving at an understanding between the parties concerned.

Has this been done? I do not know. I have not heard of any conference, nor do I know of any agreement. If there is one I would be very glad to have access to it and to read it. I do not doubt that legally we have the power to do these things, but I repeat that, as the honourable senator from Ottawa (Hon. Mr. Lambert) pointed out in the speech from which I have quoted, an undertaking was given that nothing would be done until a better way was found to arrange an adjustment. Has this way been found or not? I do not know. It may be that we

are to jump this fence in much the same manner as we have done in relation to some other rights. I do not deny that we have the power to do so.

Unfortunately I could not be in the chamber yesterday, and I am present today against the orders of my doctor. I came here because I wanted to find out certain things. I have not been able to do so. But I believe I am right in my point of view, that a promise should not be disregarded, especially when an understanding between the Prime Minister and the provincial premiers is involved, unless the requisite conditions have been fulfilled. If the promise has been implemented well and good; if not, an official statement should be made that we intend to utilize the power we now possess because we are unable to find a better way.

Those are the only remarks I wish to make today. But I would emphasize the objection I made with respect to changing the sixty-five-member representation of the Province of Quebec. I am aware of the answer which was given to me in certain quarters, "Oh, we are gaining eight seats". Today I reply "You are getting ten seats, but you are losing on your percentage, and in years to come you will have reason to regret it."

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

INTERNATIONAL BOUNDARY WATERS TREATY BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 333, an Act to amend The International Boundary Waters Treaty Act.

He said: Honourable senators, the International Boundary Waters Treaty Act of 1911, as amended in 1914, provides, among other things, that the salary of each Canadian member of the International Joint Commission shall not exceed $7,500, that the salary of the secretary shall not exceed $4,000, that the commission's expenses for office accommodation, equipment and supplies shall not exceed $6,000 per year, and that the Governor-in-Council may appropriate annually out of the Consolidated Revenue Fund an amount not exceeding $75,000 to meet all the commission's expenses.

The purpose of the bill before us is to increase the maximum of the salaries to be paid to the members of the Canadian section of the commission, the chairman's salary not to exceed $15,000 per year, and the salaries of the other two Canadian members not to exceed $10,000 each per year; to provide that the secretary and all members of the commission's staff shall come under the provisions of the Civil Service Act and that all expenses of the commission, including salaries, the cost of office accommodation, equipment and supplies and one-half share of all reasonable and necessary joint expenses incurred by the commission under the terms of the treaty, be paid out of monies appropriated by parliament each year. The amendment will authorize the Governor in Council to determine the salaries of the Canadian members of the commission from time to time, within the limit of the new statutory ceiling.

As honourable senators may recall, the International Joint Commission of Canada and the United States was established pursuant to the provisions of Article VII of the treaty between the two countries which is commonly known as the Boundary Waters Treaty of 1909. This treaty was approved by the Senate in 1911 when it passed the International Boundary Waters Treaty Act, to give it effect in Canada. According to the terms of the treaty the two countries agreed to establish and maintain an international joint commission composed of six members, three to be appointed by the United States and three by Canada. The International Joint Commission is the instrument used by the two governments to implement the terms of that treaty, the purposes of which are to prevent disputes arising between Canada and the United States regarding the use of boundary waters or the rights in waters flowing across the international boundary; to settle all questions then pending between the two countries involving the rights, obligations and interests of either country in relation to the other or to the citizens of the other along their common frontier, and to make provision for the adjustment and settlement of all such questions or disputes that might arise in the future.

The commission's work in recent years has grown both in importance and volume. This has been due in great part to the unprecedented demand for the use of waters along the international boundary for the development of hydro electric power, and a growing appreciation of the benefits from these waters for irrigation in both countries. Some of these waters also present the problem of the need for flood control.

The Canadian members of the International Joint Commission at the present time are General A. G. L. McNaughton, Mr. George Spence and Mr. J. Lucien Dansereau. These commissioners are receiving today the same salaries that were fixed by the International Boundary Waters Treaty Act in the year 1911. Notwithstanding the increase in volume and

importance of the work, the commission is still required to operate under the statutory limitation of $75,000 which was also fixed in the year 1911. The main reason for seeking to increase these salaries is the additional work and its increased importance, as well as the fact that a salary which might have been appropriate in 1911 might be considered not so appropriate in 1952. I think honourable senators will also agree that rather than have a fixed statutory amount to cover the commission's annual expenses, which by their nature must necessarily vary in importance and volume from year to year, it would be more appropriate to have these expenses reviewed by parliament each year, and provision made for them in the annual parliamentary appropriations.

It is also felt that the commission's staff, apart from the commissioners themselves, should come under the provisions of the Civil Service Act with regard to appointment and remuneration. In a letter dated November 19, 1918, the then Deputy Minister of Justice expressed the opinion that such staff members were, in fact, subject to the provisions of the Civil Service Act. Strictly speaking, therefore, it might not be necessary to enact this amendment regarding staff, but it is felt desirable to do so in order to dispel any doubts that may exist.

Hon. Mr. Davies: May I ask the honourable senator whether, if this bill is passed, it will authorize the immediate payment of $15,000 per annum to the chairman, and $10,000 to the other two commissioners, or is the purpose of the bill merely to establish maximum salaries?

Hon. Mr. Robertson: One purpose of the bill is to increase the maximum salaries of the Canadian section of the International Joint Commission. I cannot say whether the Governor in Council is empowered to immediately increase the salary of the Canadian chairman to $15,000, but perhaps I should point out that General McNaughton, as a full general on retirement from the Canadian army, is entitled to receive a pension which exceeds the present authorized salary of the Canadian Chairman of this Joint Commission.

Hon. Mr. Reid: I have one or two questions I should like to ask. As a member of an international body which gives its service free, I should like to know what the American members of this joint commission are paid. I know that as the Act now stands the Canadian secretary of this commission is supposed to receive an annual salary of $3,000, but I should like to know what he is actually receiving.

Hon. Mr. Robertson: Honourable senators, the house was generous enough this afternoon to permit me to move the second reading of this bill, but I see no reason why it should not be sent to committee where these pertinent questions could be answered in detail. If the house sees fit to agree to the principle of this bill on second reading, I would move that it be referred to the Standing Committee on Banking and Commerce, where honourable senators could question the appropriate departmental officials.

Hon. John T. Haig: Honourable senators, I am in difficulty here. I know about this commission, but I have always had the idea that its members did not do much work. I hope I am wrong in this assumption, but I know that at the time of the Red River floods in 1950 we got little satisfaction indeed from the commission. The commission disclaimed responsibility.

There is another point bothering me, and I am rather surprised that it has not come up before, because I cannot imagine why other bodies and commissions under this parliament have not raised the question of their salaries. In fact, I think that in a day or two a bill concerning another place in parliament may come to us and be found very interesting.

I just wonder—maybe I am a voice crying in the wilderness—but I wonder whether as Churchill asked the other day, the people know what is going on in the world. Are they aware of the volcano beneath them? I just wonder whether we in Canada have not reached the place where our taxation has become so heavy that it is difficult for people to get new money with which to enter into business.

I admit that this bill is probably not an appropriate one upon which to base these remarks, for the members of the commission certainly have not been overpaid. There is no question about that. If they are qualified to do their job, I should think they have not been paid enough. Yet, I am concerned because the party to which I belong, like most other parties, has been preaching economy.

Hon. Mr. Beaubien: But you do not practise it.

Hon. Mr. Farris: We are all right in British Columbia now.

Hon. Mr. Haig: The only thing I can say to my honourable friend is that the party to which he belongs, like the party to which I belong, is apparently not very highly esteemed in British Columbia at present. Within a few days there will be an election in Quebec, and maybe a party which is

supported by some members of this house will not be able to make a very good showing in that province. Apparently it is not too well liked in Saskatchewan, and it appears that the sentiment in some other provinces is similar. Honestly, though, I think the protest that has been registered has not been so much against any political party as against the tremendous taxation. The people are dissatisfied, and they hit the first head that comes up. That is how it looks to me.

I am willing to have this bill go to committee, though I personally feel a little uneasy about the work of this commission. Maybe it does an important work, but I am not sure about it; I have always had the impression that its activities were not of much importance.

Hon. F. W. Gershaw: Honourable senators, knowing something of the good work that this commission has done, I wish to say a word about it. There may have been a time when the commission had not much to occupy its attention, but in late years it has had to deal with a considerable number of important problems. Its studies of matters in connection with the St. Lawrence and eastern waterways has been of great value to Canada. In the West many meetings have been held between the Canadian section and the United States section of this international body.

Hon. Mr. Roebuck: Is the work done by the commissioners a full-time job now?

Hon. Mr. Gershaw: Yes, it is necessary that they devote their full time to the work now. Some mountain streams rise in the United States and flow through Canada and back to the States, and there are constant negotiations as to who should share these waters and have the privilege of using them for irrigation purposes. Treaties have been made, and their words must be strictly adhered to. People in the United States built reservoirs and canals to accommodate the whole flow of certain international streams, and it was only through the work of the Canadian section of the commission that we succeeded in securing our share of these waters and making highly beneficial use of them for irrigating the land.

At times in the past the personnel of the Canadian section may have been weak in comparison with that of the American section, for our great neighbour to the south has always seen to it that its section was composed of able members, assisted by a battery of legal talent and all the secretarial help needed. I feel that in these times we need the present strong Canadian section, which is able to uphold our rights and see that we get our fair share of the use of international streams.

Hon. G. P. Burchill: Honourable senators, I wish to endorse everything that has just been said by my colleague from Medicine Hat (Hon. Mr. Gershaw). At the moment we in the province of New Brunswick are intensely interested in the commission, because it is endeavouring to find a way to give us badly needed water power, which we require as a source for electrical energy. This very day a meeting is being held down there in connection with this matter. In the hope that the commission will be successful in its work on our behalf, I am prepared to vote to have the bill passed right now, without any reference to a committee.

Hon. Mr. Horner: May I ask what international waters there are in New Brunswick?

Hon. Mr. Burchill: The St. John river, which forms part of the boundary line between the Province of New Brunswick and the State of Maine.

Hon. Mr. Horner: Well, honourable senators, I agree with my leader (Hon. Mr. Haig). And I want to express my personal feeling of dissatisfaction with the present Chairman of the Canadian section of the commission. The people of Canada, both in the East and West, refused to accept him as their representative, but apparently that fact does not prevent him from being engaged on this commission and having his salary raised to equal that of a cabinet minister. I should like to see some other person appointed as chairman, and I think the people of Canada generally would agree with me.

Hon. Mr. Robertson: Honourable senators, perhaps I should say a word or two about this bill. When I was first thinking of it there ran through my mind the same thought as occurred to the leader of the opposition (Hon. Mr. Haig), that it has been a long time since this Act was last under consideration in parliament. The explanation probably is that, although the commission has been in existence for many years, it so happened that over a long period the questions which came before it were in general relatively simple and few. In recent years, however, they have so increased in complexity and number that the commissioners have to all intents and purposes a full-time job.

I do not agree with the derogatory remarks made by the senator from Blaine Lake (Hon. Mr. Horner) about the chairman of the board. I have had some opportunities of discussing with him in a personal way—not officially at all—the work that is being done by the Canadian section of the International Joint Commission, and on one occasion he told me he would like to have the opportunity of

appearing at some time before a Senate Committee and explaining the commission's work in relation to international waterways and the importance of this work to Canada. So far there has not seemed to be an opportune time to ask him to appear, but should the Committee on Natural Resources ever wish to hear about the commission's work, I am sure that he could tell a most interesting story of investigations and studies made in British Columbia, in the Prairie Provinces—including those referred to by the senator from Medicine Hat (Hon. Mr. Gershaw)—and in other provinces. The commissioners are now to be entrusted with the important duties having to do with Canada's part in the construction of the St. Lawrence Seaway project. I think we are indeed fortunate in having as chairman of the Canadian section of the commission a man of high attainment, wide knowledge and prestige. He is quite capable of putting forward Canada's position on any of the questions which will come before the commission.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 18, 1952

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that the Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to certain bills.

COLD STORAGE BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 335, an Act to amend the Cold Storage Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 335, an Act to amend the Cold Storage Act, have in obedience to the order of reference of June 17, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move that the bill be now read the third time.

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

DIVORCE BILL

FIRST READING

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bill:

Bill G-12, an Act for the relief of Ann Martha Treglown Goodfellow.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Aseltine: With leave of the Senate, now.

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

THIRD READING

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

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate, now. I so move.

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

COMBINES INVESTIGATION ACT AND CRIMINAL CODE BILL

SECOND READING

Hon. Arthur W. Roebuck moved the second reading of Bill 306, an Act to amend the Combines Investigation Act and the Criminal Code.

He said: Honourable senators, this bill grows out of the work of the so-called MacQuarrie Committee, which was appointed in June, 1950, to inquire into the operation of the Combines Investigation Act and trade practices in general in Canada. The committee gave notice that it would receive evidence of facts and opinions from all quarters, and a large number of organizations and individuals took advantage of this invitation and appeared before the committee. A great deal of opinion evidence was submitted, and the committee as a result of its investigations, made some very interesting reports in which there was a good deal of vigorous original thought and not a little recommended action. I have no doubt that my honourable colleagues have read these reports and have at least a general idea of what they contain. This bill endeavours to carry into effect the recommendations of the MacQuarrie Committee, the final report of which was made in March of this year.

These recommendations may be summarized perhaps very roughly as follows:—

The committee affirms the principles of the present legislation which, as honourable senators know, is extremely voluminous and of long standing. Our first interference with monopolies in trade took place when a committee of a character similar to the MacQuarrie Committee was appointed as early as the year 1888, and the first bill on the subject was introduced and passed in 1889. This legislation was later incorporated in the Criminal Code of 1902—which was the great consolidation of that time—and now appears in the Code as section 498. We are adding to this another section, which will

be section 498(a). The MacQuarrie Report affirmed the principles of the legislation passed in 1889 and the subsequent legislation which followed in 1914, 1923 and so on to 1935.

There has been some criticism of the efficiency of the present legislation, and changes have been recommended for its improvement. The committee recommends a division of the functions of investigation and inquiry on the one hand, and the appraisal of situations and action on the other. In other words, for the purpose of clarifying the work of the various individuals concerned, it is recommended that two opposing functions be handed to different officials, and I think this will increase public confidence in the board. Besides that, the report suggests additional measures for strengthening the combines legislation.

Honourable senators, were I to go over this bill in detail, twenty-two pages of it, I think you would be very tired by the time I got through. Certainly I was tired by the time I even read it. But fortunately I see the possibility of touching on just the high points of legislation. They are four in number. To begin with, there is the division of the functions, to which I have referred, which is perhaps the most important feature of this amending bill. Second there is the granting of power to the courts to issue injunctions preventing the continuance of operations which are inimicable to the public interest; third, the removal of the ceilings on fines, which ceilings now appear in both the Criminal Code and the Combines Investigation Act; and fourth, the granting of power to the combines investigation branch to investigate monopolistic situations—that is to say, not entirely to pursue offences, or of people who have been guilty of offences, but rather to investigate situations which in the opinion of the director or the commission will lead to offences or to conditions inimicable to the public interest.

These are the four outstanding provisions of the bill, and all the rest of the voluminous detail, in which honourable senators may lose themselves if they care to, is consequential upon these four amendments; I might even say that, granted the wisdom of the four main amendments, most of the others are inconsequential.

Now let me take up these main provisions *seriatim* in the order in which I have mentioned them. The new section 5 of the Act appoints a Director of Investigation and Research, at a salary to be fixed by Order in Council. The new section 6 provides for the appointment of one or more deputy directors, although I am informed that at present there is no intention of appointing a deputy.

The new section 16, which is in Part II of the bill, provides:

> There shall be a Commission to be known as the Restrictive Trade Practices Commission consisting of not more than three members appointed by the Governor in Council.

One of the members of the commission is to be chairman. He is to be the chief executive officer and to supervise the work of the board. Any one of the members of the board can exercise all the powers of a commissioner appointed under Part I of the Inquiries Act. That is, he may hear evidence and so on, but he will not have the power to report. It is important to note that the power to report is definitely restricted to the board. That means that when an inquiry or investigation has been completed, and the parties are ready to come to a conclusion, the matter will be referred to the entire board, and the accused persons and the director will appear with their evidence, and the outcome will be reported to the minister.

Hon. Mr. Reid: May I ask a question at this point?

Hon. Mr. Roebuck: Yes, of course.

Hon. Mr. Reid: Is there any advantage arising out of the change of title from "commissioners" to "director"?

Hon. Mr. Roebuck: Yes, there is. The change was necessary because under the proposed measure there is to be one person charged with the task of investigating, and there is also to be a commission. The superior body is to be the commission, and its members are called commissioners. It is therefore necessary to adopt the title of "Director of Investigation and Research."

Hon. Mr. Isnor: Would the honourable senator enlarge on the word "restrictive", as it is used in the bill?

Hon. Mr. Roebuck: Does my friend mean the phrase "restrictive trade practices"?

Hon. Mr. Isnor: Yes.

Hon. Mr. Roebuck: Perhaps I can deal with that point best when I speak about the type of legislation which the proposed board will enforce. "Restrictive practices" as used in section 16 means, I think, practices which according to the Criminal Code unduly interfere with competition, production or sale of commodities, or any such act appertaining to commerce.

With the division of the two functions, the matter of procedure becomes very important, and it is necessary to provide detailed steps

which were not required when the function was entrusted to one individual. In the first place, an investigation may be commenced either by the action of six individuals who may make and lodge a complaint, supported by affidavit, or by the director on his own initiative—that, by the way, is the origin of most of the investigations—or by the direction of any of the commissioners or of the minister. When the Director of Investigations commences his work, he has no statutory powers. He may gather such information as he can without the authority to seize books or examine witnesses. His rights are defined in section 7, as follows:

> Any six persons, Canadian citizens, resident in Canada, of the full age of twenty-one years, who are of the opinion that an offence has been or is being committed against section thirty-two or thirty-four of this Act, or section four hundred and ninety-eight or four hundred and ninety-eight A of the Criminal Code, may apply to the Director for an inquiry into such matter, and shall place before the Director the evidence on which such opinion is based.

The director will, as I have said, gather such information as he can. If the result of his inquiry is such as to cause him to decide to go further, and he wishes to enter the premises and require the production of books or to hear sworn testimony, he must go to the commission. Every effort seems to have been made in this legislation to avoid the giving of arbitrary powers to the director, so the commission remains the supervising authority throughout. The director is the workman; he is the policeman. He cannot enter the premises any more than a constable can without a search warrant; he cannot order the production of books or documents without obtaining authority, as is required to be done in the civil courts. He has to make an *ex parte* application to a member of the commission, under the provisions of section 9, which reads in part as follows:

> . . . the Director may at any time in the course of an inquiry, by notice in writing require any person, and in the case of a corporation any officer of such corporation, to make and render unto the Director, within a time stated in such notice, or from time to time, a written return under oath or affirmation showing in detail such information with respect to the business of the person named in the notice as is by the notice required.

—and so on. If he wishes to examine witnesses either *viva voce* or by affidavit, he is required by section 9, which I have just read, to apply to the commission for an order permitting him to proceed in that way. When it is proposed to call evidence, the minister may appoint counsel to take over the examination of witnesses, and if counsel is not appointed the staff continues to carry on the proceedings.

Hon. Mr. Farris: Are such witnesses called before the director or before the commission?

Hon. Mr. Roebuck: Before the commission; the commission presides when oral evidence is heard.

Hon. Mr. Reid: May I ask if the director gets his authority from the commission?

Hon. Mr. Roebuck: If my friend has in mind the affidavit evidence, I would refer him to subsection 2 of section 9 which reads:

> The Director shall not issue a notice under subsection one unless, on the *ex parte* application of the Director, a member of the Commission certifies, as such member may, that such notice may be issued to the person or officer of a corporation disclosed in the application.

There is a similar provision with respect to oral evidence, but I cannot give you the citation offhand. If the commissioner is of the opinion that the evidence which he has adduced so far warrants the making of allegations against the parties involved, he may do so, of course. Under the supervision of the commission he prepares a statement of allegations. This statement usually has been, and will be in the future, a comprehensive statement of the evidence so far adduced, and, probably, of the conclusions of the director with regard to the legality of the operations of the parties involved. Then a time is stated for the hearing by the board. After the hearing by the board of the examination of the witnesses and the argument on both sides—the director acting in the capacity of prosecutor and the accused persons appearing through their counsel—the commission makes its report to the minister, and the report must be made public within thirty days thereafter. That, in a very condensed and general way, is a statement of the procedure.

With regard to penalties: neither the commission, nor a member of it, nor the director, can penalize anyone for contempt of court or on any other grounds, except upon order of a court on application made to it not less than twenty-four hours after service upon the parties affected.

A good deal of care has been exercised to protect the public against arbitrary proceedings by this commission.

Hon. Mr. Reid: May I ask why, under section 13, the director must apply to the minister rather than to the commission for permission to hold an inquiry?

Hon. Mr. Roebuck: Section 13 states that the director may apply to the minister for the appointment of counsel. The commission would not appoint counsel.

Hon. Mr. Reid: I thought the commission would be all-powerful.

Hon. Mr. Roebuck: But this is a matter of appointment of counsel. I do not think

power would ever be entrusted to a commission to appoint representatives of the Crown. That, surely, is a function of the Crown as represented by the minister. In all probability the commission has little knowledge of the legal profession throughout the dominion, while certainly the Department of Justice is well-informed on this subject and is, I think, the appropriate agency for the purpose, since payment for the services rendered must be made from the public purse.

Hon. Mr. Reid: The provision is a very common one.

Hon. Mr. Roebuck: I think it is the only way it is ever done.

Hon. Mr. Vien: It is usual in appointing counsel to royal commissions or boards.

Hon. Mr. Roebuck: Yes. As I was saying, it seems to me that a good deal of care was exercised by the drafters of these amendments to protect the public against arbitrary actions, particularly by the director, and also by the commission.

Hon. Mr. Farris: My honourable friend has referred to penalties, and I understood him to say that they could be imposed only upon application to a court.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Farris: What court is indicated? The Supreme Court of a province?

Hon. Mr. Roebuck: No. As I remember the section, it would probably be the Exchequer Court.

Hon. Mr. Farris: What information would it have on which to act?

Hon. Mr. Roebuck: That would depend, of course, on the circumstances. For the most part, penalties are applicable when a person who is directed to do something refuses to comply. It may be contempt of court, the refusal to carry out an order of the court properly made. The commission has no power to impose penalties upon an individual who refuses to follow its orders. It must apply to the court if it wants to impose penalties, and in that event, no doubt, it would have to prove the facts. Just how it would do that would depend upon the court or the judgment of the sitting judge: it might be by affidavit, though usually in these matters *viva voce* evidence is required. I cannot answer the question with any authority, though I can imagine what the situation would be if one were applying to a court to impose a penalty upon an individual for the breach of a statute. On any specific occasion counsel would have to decide how to proceed.

Hon. Mr. Vien: In reply to the honourable senator from Vancouver South (Hon. Mr. Farris), may I point out that the court in question is the Exchequer Court, a superior court or a county court.

Hon. Mr. Roebuck: Yes; thanks. I appreciate assistance of this kind, because the bill has been in my hands for only a very short time, and it is exceedingly voluminous and difficult. The application will be, of course, to the Exchequer Court. Officials invariably choose that route when they can, but under certain circumstances it is possible for them to apply to the superior courts or the county courts of the various provinces to enforce their measures.

Hon. Mr. Vien: May I ask the honourable senator a question? So far we have followed his discussion of the organization—the director and the commission—and the procedure to be followed. Is there anything in this bill which changes the principle in virtue of which the Combines Investigation Act was enacted?

Hon. Mr. Roebuck: I think there is. In a general way I would say, no, but I would then qualify my answer by adding that there is an amendment to the Criminal Code, section 498A, and that the commission is given wider powers to which I will refer in a few minutes. To speak of fundamentals of the combines legislation: there is the recent banning of price maintenance, and a change whereby discrimination against certain parties is forbidden.

Hon. Mr. Vien: In this bill?

Hon. Mr. Roebuck: Yes. It is narrowed, not widened. But there is a considerable widening of those provisions of the Criminal Code which are part of this bill. Generally speaking, however, the structure has not been changed. The principal changes are in administration: certain further powers have been granted, such as that of injunction, that of requiring production of affidavit evidence, and perhaps some others, to which I will refer.

May I return to what I was saying? Care has been exercised by the drafters of this bill to protect the public against arbitrary action. I have acted for clients, accused under the Criminal Code, whose books, papers, documents and records have been seized by the police and carted off. I have seen great difficulties result from such action, which at times seems to be exceedingly arbitrary. No doubt that is why this bill provides that these books and records must be returned to the person being investigated within sixty days after their seizure or voluntary surrender.

Hon. Mr. Aseltine: While the honourable gentleman is dealing with this section could he tell us if this bill gives anybody the authority to enter my premises, whether I am a suspected person or not, and take away all my documents, not only copies but the originals themselves?

Hon. Mr. Roebuck: There is certainly authority to enter your premises.

Hon. Mr. Aseltine: Whether or not I am a suspected person? Does it give authority to enter anybody's premises?

Hon. Mr. Roebuck: No, I do not think so. The director, if he wishes to enter your premises and make a seizure, must first appear before the commission and justify his application by at least showing grounds for suspicion. Honourable senators will find this provision set out in the Act; I cannot give the section offhand; but I think the answer is that neither the director nor any representative authorized by him may enter your premises and seize your books and records.

Hon. Mr. Vien: The section in question is to be found on the top of page 4. It is section 10.

Hon. Mr. Roebuck: Yes, the marginal note is "Entry of premises", and the section reads:

> Subject to subsection three, in any inquiry under this Act the Director or any representative authorized by him may enter any premises on which the Director believes there may be evidence relevant to the matters being inquired into and may examine any thing on the premises and may copy or take away for further examination or copying any book, paper, record or other document that in the opinion of the Director or his authorized representative, as the case may be, may afford such evidence.

Hon. Mr. Aseltine: It is a pretty wide power.

Hon. Mr. Roebuck: Yes, it is wide; but, as I have observed with pleasure, the documents and records have to be returned within a maximum of sixty days, whereas under the Criminal Code they may be kept as long as desired.

Hon. Mr. Vien: As I understand it, the bill does not provide for any change, and section 10 is based on the present sections 16, 17 and 36 of the Act now in force. This information appears in the explanatory notes opposite page 4 of the bill.

Hon. Mr. Roebuck: The examination of premises and the carrying away of books was always based on suspicion.

Hon. Mr. Vien: Yes, but the authority to enter premises where the director believes there may be evidence relevant to the matters being inquired into still remains, and the obligation to return books and records within sixty days is the same as at present.

Hon. Mr. Roebuck: Section 10(1) is marked as being new, or all events rewritten. Honourable members will observe the black mark at the left of the paragraph.

Hon. Mr. Vien: Unless I am mistaken, there is a new re-grouping of sections 16, 17 and 36.

Hon. Mr. Roebuck: That is correct. There is no doubt about that. There is a provision in the Canada Evidence Act to the effect that a witness if he feels that the reply to some question may incriminate him, may say that he refuses to answer on those grounds. Nevertheless he is obligated to answer. Under those circumstances, however, the evidence may not be used against him in any other proceeding, either criminal or civil, with the single exception of one for perjury in the giving of such evidence. My experience has been that it is only when a witness is protected by a well-informed and vigilant counsel that this section is made use of. On occasion, either through accident or oversight, the "protection of the court", as it is referred to in court parlance, is not claimed and made use of; so a great premium is placed upon the knowledge of counsel. He has to be on his toes, as it were, in relation to the circumstances. Honourable senators will find that in section 20 of the bill the provisions of the Canada Evidence Act are read in, whether they are claimed or not. I certainly approve of that.

Hon. Mr. Fogo: Does the honourable senator notice that this privilege appears to be limited to criminal proceedings?

Hon. Mr. Roebuck: Is it?

Hon. Mr. Fogo: I am referring to section 20, at the top of page 10.

Hon. Mr. Roebuck: It reads:

> No person shall be excused from attending and giving evidence and producing books, papers, records or other documents, in obedience to the order of a member of the Commission, on the ground that the oral evidence or documents required of him may tend to criminate him or subject him to any proceeding or penalty, but no such oral evidence so required shall be used or receivable against such person in any criminal proceedings thereafter instituted against him, other than a prosecution for perjury in giving such evidence.

My memory may be at fault but I think the Canada Evidence Act protects the use of the evidence at any action. It certainly does in the case of any criminal proceedings. If it does protect against the use of the evidence in civil proceedings, protection still may be claimed notwithstanding this paragraph; so nothing has been taken away, but a great deal has been added.

Hon. Mr. Vien: The Canada Evidence Act does not overrule specific provisions in this Act.

Hon. Mr. Roebuck: It would not need to. If the Canada Evidence Act prohibited the use of evidence in civil proceedings under certain circumstances, that prohibition would stand irrespective of whether this Act involves criminal proceedings. This Act would be supplementary to the Canada Evidence Act and not contradictory to it.

Hon. Mr. Vien: Yes, but if anything in the Canada Evidence Act was repugnant to these specific provisions, this Act would overrule the Canada Evidence Act.

Hon. Mr. Roebuck: That is true, but this refers only to criminal proceedings. In civil proceedings the two Acts would not be repugnant one to the other. At least, that is my opinion.

Now let us come to the prohibitions which after all are the fundamentals of this measure. So far we have been talking about procedure, and the Combines Investigation Act, although based upon prohibitions, is largely a statute of procedure. Honourable senators will find the prohibitions set out in section 498 of the Criminal Code, which section is amended by this bill. The bill also amends section 498A, which provides for punishment, and these two amended sections as printed on page 21 of the bill will also be found in Bill H-8, the Criminal Code revision, which is now before the Banking and Commerce Committee of the Senate.

It is interesting, I think, to appreciate what our prohibitions are. Section 498 (1) of the Criminal Code says:

> Every one who conspires, combines, agrees or arranges with another person

It is combination that is prohibited. Our civilization is based upon free economy; that is, an economy in which there is free competition in trade between individuals. The control of trade, production, prices and so on must necessarily be limited and restrained by competition. Otherwise there would be no free economy, but a brutal domination of our economy by those capable of dominating it. So in the past we have legislated against combinations. To give an illustration: everyone is free to use the streets, in company with other persons or by himself, and great throngs of people use our busy thoroughfares daily; but just as soon as four or five men or women join shoulder to shoulder and walk down a street in unison, in combination one with the other, and sweep the sidewalk clear, they are no longer exercising freedom, but are restricting freedom, contrary to the public interest. So in matters of trade each person is entitled to take that course which to him is the most profitable, but when half a dozen or more individuals gather together in a combination and dominate trade, that is a criminal matter.

Let me begin with the section again:

> 498. (1) Every one who conspires, combines, agrees or arranges with another person
>
> (a) to limit unduly the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article,

You must not combine to do that.

Hon. Mr. Aseltine: Is that not the present section?

Hon. Mr. Roebuck: That is the present section, and I shall come to the amendment in a moment. The section goes on:

> (b) to restrain or injure trade or commerce in relation to any article,
>
> (c) to prevent, limit or lessen, unduly, the manufacture or production of an article, or to enhance unreasonably the price thereof, or
>
> (d) to prevent or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, transportation or supply of an article, or in the price of insurance upon persons or property, is guilty of an indictable offence and is liable on conviction to imprisonment for a term not exceeding two years.

The change lies in the last few words I have read. In the present section, which is printed in the bill on the page opposite the new section that I have been reading, the punishment provided is a penalty not exceeding $4,000 and not less than $200, or two years' imprisonment, or, if a corporation, a penalty not exceeding $10,000, and not less than $1,000.

The change consists in dropping the provision for fines. However, if you will turn to section 1035 of the Criminal Code you will see it is there provided that in the instance of an offence for which the penalty is less than five years the magistrate or court may impose a fine in lieu of the other penalty, or in addition to it; and when the penalty is more than five years the court may impose a penalty, not in lieu of the other penalty but in addition to it. So that section of the Criminal Code reads in what has been left out of section 498, but without the limitations. It seems to have been the experience of the department that in these vastly important combinations in restraint of trade so much money may be involved that the court should be left free to exercise its judgment without being limited to a financial penalty; that is, free to deal with every case upon its merits.

Hon. Mr. Vien: Is it not a little unusual to attempt to amend the Criminal Code in a bill which is dealing principally with another Act? This bill, at the bottom of page 20, says that sections 498 and 498A of the Criminal Code are repealed, and two new sections are substituted therefor. That seems to me an unusual procedure.

Hon. Mr. Roebuck: I agree with my honourable friend to some extent, but we must not forget that the Combines Investigation Act is really part of the Criminal Code. The authority of the Dominion Parliament to enact the Combines Investigation Act in the first instance has been upheld by the courts on the ground that it is criminal legislation; and while this Act itself does provide penalties, it provides for the most part simply a prosecuting procedure, a policing procedure, for carrying out enactments dealing with certain criminal offences. And the most important criminal law which this Act enforces is section 498 of the Criminal Code. In our discussions on the revision of the Code, in Bill H-8, a good deal has been said on the point of whether certain provisions now in the Code might not better be contained in special Acts, or whether all the prohibitory provisions in other Acts might not be included in the Code. At the present time we are not taking either of these courses.

Hon. Mr. Vien: It seems to me that the procedure we are following now makes it difficult, if not impossible, for anyone to read the Criminal Code intelligently. If you have to search in this statute to find an amendment to the Criminal Code, that does not make for facility in the intelligent interpretation of the Act.

Hon. Mr. Roebuck: Unquestionably, some difficulty presents itself there. It might have been better had two bills been presented, one having to do with Statute Law Amendment Act; however, I do not think that much would be gained in that way, as the subject matter is being discussed in this bill.

Hon. Mr. Vien: But the two sections in question refer exclusively to offences under the Combines Investigation Act; therefore they would appear more properly in that Act than in the Criminal Code. They should be removed from the Code. We should not attempt to amend the Criminal Code by passing an amendment to the Combines Investigation Act.

Hon. Mr. Roebuck: There is a good deal in what my friend has said, but that is not the way we are proceeding.

Hon. Mr. Davies: Will these sections appear in both the Criminal Code and this Act?

Hon. Mr. Roebuck: They will be in both statutes. It must be borne in mind that this provision has been in the Criminal Code since it was first enacted in 1892.

Hon. Mr. Vien: Do you mean sections 498 and 498A?

Hon. Mr. Roebuck: Section 498 has been in the Code since its enactment, but not section 498A. However, it is a matter of procedure, and I do not suppose I am called upon at this time to defend the method which has been adopted.

Hon. Mr. Vien: But we are dealing with the Act now.

Hon. Mr. Roebuck: Yes; but I can see no great harm in the course that is being taken, or no great advantage in any other course. It must be remembered that we are now also engaged in revising the Criminal Code; and when it is re-enacted at the next session of parliament, as it likely will be, section 498 will appear word for word as in the revision.

Hon. Mr. Farris: I note that the word "corporation" has been dropped in the new section. What about that?

Hon. Mr. Roebuck: "Corporation" is left out, but it is not to be supposed that a Judge will close his eyes to the distinction between an individual and a corporation when either has been found guilty of an offence against the Act. It was thought by the department that a Judge should be left free to make the penalty fit the crime. The principle is not altogether one of law, but rather of Gilbert and Sullivan, which is nevertheless pretty sound.

Hon. Mr. Farris: Is "corporation" included in the word "person"?

Hon. Mr. Roebuck: Yes; it is in the Interpretation Act.

The next point which I shall try to explain to honourable senators is what the bill would prohibit and why certain machinery is necessary to make its prohibition effective. I refer now to section 498A which, as honourable senators will note, is largely new. It reads as follows:

> Every person engaged in trade, commerce or industry is guilty of an indictable offence and liable on conviction to imprisonment for a term not exceeding two years, who
>
> (a) is a party or privy to, or assists in, any sale that discriminates, to his knowledge, directly or indirectly, against competitors of the purchaser, in that any discount, rebate, allowance, price concession or other advantage, is granted to the purchaser over and above any discount, rebate, allowance, price concession or other advantage, available at the time of such sale to such competitors in respect of a sale of goods of like quality and quantity;
>
> (b) engages in a policy of selling goods in any area of Canada at prices lower than those exacted by such seller elsewhere in Canada, having or designed to have the effect of substantially lessening competition or eliminating a competitor in such part of Canada;
>
> (c) engages in a policy of selling goods at prices unreasonably low, having or designed to have the effect of substantially lessening competition or eliminating a competitor.

Hon. Mr. Aseltine: Is that the "loss leader"?

Hon. Mr. Roebuck: No; "loss leader" has to do with price maintenance. This section has to do with discrimination as between competitors. It prohibits the practice of selling to one person, just because you like him, at a lower price than you would to another, or selling to a big operator at a lower rate than you would sell to the little fellow, provided the quantity and quality are the same. Individual sales may be made under such circumstances, but such sales must not amount to a practice.

Hon. Mr. Reid: May I ask whether there is anything in the bill which would prevent a manufacturer from refusing to sell to a particular person? We all know of instances, but it is difficult to prove the fact.

Hon. Mr. Roebuck: The measure contains nothing which would prevent a manufacturer from choosing his customers as he sees fit, or from refusing to sell to a certain person because he does not like the colour of his hair, for instance, or for any other reason. But as soon as two or more persons combine to refuse to sell to another, it is then they commit an offence under section 498 of the Criminal Code. I grant you, that the law does not cover all cases of hardship, but it goes about as far as it is possible to go in providing enforceable legislation to prohibit combinations of that kind.

Hon. Mr. Isnor: Do I understand the senator to say that when a manufacturer sells to a chain of stores he is prohibited from giving a greater discount than he does when he sells a small quantity of goods to an individual store?

Hon. Mr. Roebuck: Provided that the quantity and quality are the same, he must not make a practice of discriminating in that respect.

Hon. Mr. Isnor: It is not a case of quantity but of selling at a larger discount. What is your answer to that question?

Hon. Mr. Roebuck: When such discrimination amounts to a practice it is—as I have already said twice—prohibited. The purpose of the prohibition is to prevent manufacturers or wholesalers from having preferred and unpreferred customers. For instance, a vendor may agree to give a discount for cash, but he must not make a practice of giving a bigger discount to a chain of stores than he gives to a small operator. always provided that the quantity and quality of the sales to each are the same. This legislation is designed to protect the small retail merchant from discrimination of that kind, which has been so prevalent and so hard to meet.

Hon. Mr. Davies: Do I understand that one manufacturer may discriminate in that way, but that two cannot combine to do it?

Hon. Mr. Roebuck: No. The Code provides that one must not discriminate in that way.

I now turn to section 32 of the bill, under the heading "Offences and Penalties," This section areads as follows:

(1) Every person who is a party or privy to or knowingly assists in the formation or operation of a combine is guilty of an indictable offence and liable on conviction to imprisonment for a term not exceeding two years.

And "combine" in the Combines Investigation Act is defined thus:

"Combine" means a combination having relation to any commodity which may be the subject of trade or commerce, of two or more persons by way of actual or tacit contract, agreement or arrangement having or designed to have the effect of

(a) limiting facilities for transporting, producing, manufacturing, supplying, storing or dealing, or

(b) preventing, limiting or lessening manufacture or production, or

(c) fixing a common price or a resale price, or a common rental, or a common cost of storage or transportation, or

(d) enhancing the price, rental or cost of article, rental, storage or transportation, or

(e) preventing or lessening competition in, or substantially controlling within any particular area or district or generally, production, manufacture, purchase, barter, sale, storage, transportation, insurance or supply, or

(f) otherwise restraining or injuring trade or commerce.

That is a combination in restraint of trade, and by the Combines Investigation Act it is made a crime.

Section 34 contains certain provisions relating to procedure. I do not think we need spend time on it.

Then there are "special remedies" provided in the bill. They are new, and very important. By section 31, where anyone has been convicted of an offence under section 32 or 34 of the bill, or under section 498 or 498A of the Criminal Code, the court may, on the application of the Attorney General of the dominion or of any of the provinces, prohibit the continuation of the offence or the doing of the act, or direct a dissolution of the merger, trust or monopoly that has been the subject of inquiry. That is to say, for the first time in Canada, though by no means so across the international boundary, recourse can be had to the courts for an injunction prohibiting the continuance or the suspected or feared commission of an act which is inimical to the public interest.

Hon. Mr. Vien: In the definition the honourable senator has read there occurs the phrase: "preventing, limiting or lessening manufacture or production". The question was put to me whether an injunction could issue against a labour union which by a strike prevents, lessens or limits the manufacture of an article.

Hon. Mr. Roebuck: The answer is no.

Hon. Mr. Vien: Why.

Hon. Mr. Roebuck: Section 496 of the Criminal Code states:

> A conspiracy in restraint of trade is an agreement between two or more persons to do or procure to be done any unlawful act in restraint of trade.

That is just the definition.

Then, 497:

> The purposes of a trade union are not, by reason merely that they are in restraint of trade, unlawful within the meaning of the last preceding section.

There is a further provision with regard to trade unions: section 498, subsection (2):

> Nothing in this section shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

That of course rules out prosecutions of labour unions for combinations in restraint of trade. It is an old provision; it has been in the Code for many years.

Hon. Mr. Vien: Is there any provision that covers the case of floor prices which would have the effect of enhancing the price of a commodity, because it is evident that it would fall below a certain point unless a floor were established? It affects the price; it raises the price of the commodity.

Hon. Mr. Roebuck: Such questions are more easily asked than answered. I would state definitely that there is such a provision. One person of course cannot establish the floor price for a commodity generally in the market. He can legally set his own price; but as soon as he combines with somebody else to fix a floor price he violates section 498 of the Criminal Code. I think that such action would clearly be a combination to affect prices injuriously to the public and to prevent competition.

Hon. Mr. Vien: Well, when the Minister of Agriculture conspires with other ministers of the Crown to buy all the butter offered for sale below a certain price, is there a conspiracy that could be brought within the four corners of this bill?

Hon. Mr. Roebuck: As the mere sponsor of this bill I think my best answer is that "I refuse to answer on advice of counsel"!

Hon. Mr. Vien: When they prevent the sale of margarine in any province?

Hon. Mr. Roebuck: By law? I am afraid you cannot put a nation in jail; and if the Parliament of Canada violates the principles which it imposes upon its citizens, the answer is an appeal to the public, to the voters.

Hon. Mr. Vien: And when there is a contract between an association of producers? Take for instance the case of cheese manufacturers, who from time to time enter into contracts with a federal department with respect to the selling price of that particular commodity, said contracts having the effect of fixing the price at or above the price named. Is that tantamount to producing the same effect as the bill seems to prohibit?

Hon. Mr. Roebuck: I am afraid I am not in a position to answer, because so far as I know no case has been carried to the courts wherein a government department has been charged with a conspiracy. It has long been customary and within the power of the Governor in Council to make changes in the customs tariff, I suppose by legislative action, when it has been found that the tariff is being used for combine purposes.

Section 29 of the bill gives the Governor in Council the power to either reduce or remove customs duties when it is made manifest that the benefits of the customs tariff are being used improperly.

Hon. Mr. Isnor: Does the honourable senator have the word "protection" in mind when he uses the word "improperly"?

Hon. Mr. Roebuck: When a combine in restraint of trade hides behind the protection of the tariff wall, under this bill an order in council may be passed changing the statutory law in such a way as to remove the customs tariff either in whole or in part.

Hon. Mr. Davies: What is the position of a group of milk dealers in a municipality who set a floor price on their product and refuse to sell it below that price?

Hon. Mr. Roebuck: I rather think I ought to say my office hours are from nine to five.

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: I could not answer that question without investigating all the circumstances.

Hon. Mr. Vien: I should like to know why section 498(3) does not apply to combinations of workmen and employees for their own reasonable protection as well as to a combination of employers who are acting for their own reasonable protection. Why should this provision be an exception in the case of the employee, and a rule in the case of the employer?

Hon. Mr. Roebuck: I certainly cannot say authoritatively what actuated parliament to pass this section many years ago, but I imagine that if it were not for this section the operation of trade unions would be impossible. I can also imagine that parliament is influenced by the realization that trade unions are necessary. Some say trade unions are necessary evils; I think they have done much to provide our working people with economic advancement and freedom, and, what is most important, to develop their self-respect.

Hon. Mr. Vien: I hope the honourable gentleman did not conclude from my remarks that I am opposed to labour unions.

Hon. Mr. Roebuck: I did not, sir.

Hon. Mr. Vien: I was merely wondering why a trade union would be protected when a certain manufacturers association for instance, would not be protected to the same extent?

Hon. Mr. Roebuck: I would say that. According to the judgment of parliament one is in the public interest and the other is inimical to it. In any event, I do not feel that I have to defend that principle now. It is of long standing, and we are neither changing the law nor extending it in any way.

I turn now to section 42 of the bill. The director, the minister or the commission may cause an inquiry into conditions or practices that are related to monopolistic situations or restraint of trade. This power which is being granted to the board is new. The director, of course, makes the inquiry, but he may be ordered to do so by either the commission or the minister. This is in accordance with a recommendation made by the MacQuarrie Committee. It broadens the basis of inquiry to cover not only offences which are now the subject of inquiry, but situations which tend to be injurious to trade.

The last section with which I wish to deal is section 33. This section empowers the court to require a person convicted of one of these trade offences to supply information from time to time or at a specific time.

Hon. Mr. Haig: I should like to know how many of these prosecutions have succeeded from January 1st, 1937, to January 1st, 1952?

Hon. Mr. Roebuck: I have not, of course, got those figures. I could easily have secured them if I had had notice of this question.

If honourable senators in their wisdom give second reading to this bill, I shall move that it be referred to the Standing Committee on Banking and Commerce, where the officials can supply detailed information.

Hon. Mr. Haig: I have one other question. I understood from the honourable member's earlier remarks that this bill is the result of recommendations made by the MacQuarrie Committee. Apart from those recommendations, was there any other demand for this type of legislation?

Hon. Mr. Roebuck: Oh, I think so. I do not speak with great authority, but I know that the MacQuarrie Committee heard many representations; and, naturally, any recommendation made to the committee had to be submitted by somebody. The report stands on its own feet, and to my mind it is a piece of rather courageous thinking. I am not passing on the wisdom of the recommendations, but whether we agree with them or not we must admit the committee really have performed a most useful service.

Honourable senators, in concluding my remarks, I should like to say a kindly word about Mr. McGregor, the former commissioner under the Combines Investigation Act, and his successor, Mr. MacDonald. These two industrious public officials carried a great load and have performed most difficult duties. I can say this with some knowledge, because in 1919 I was briefed by the provincial government of Ontario to conduct an inquiry into the wholesale grocers' combines in that province, and to prosecute them. I know what the two men I have named have had to go through, because for three years I fought that combine. Strange to say, it seemed that every man's hand was against me when I was prosecuting those highly respectable people.

Hon. Mr. Aseltine: How did you make out?

Hon. Mr. Roebuck: Not any too well, though I broke up the combine. But the assistance I got from courts and others left much to be desired. I carried the matter to appeal in the Supreme Court of Ontario, and in all there were three solid years of battling over the matter.

As I say, I know what these officials go through, and I should like to express my appreciation of their interest in and devotion to their work, and of the services that they render to the public. I wish the present commissioner all success in carrying out the new Act.

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

REFERRED TO COMMITTEE

Hon. Mr. Vien: I take it that this bill was referred to a committee.

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

Hon. Mr. Isnor: May I inquire if there is to be a public hearing on this bill?

Hon. Mr. Roebuck: That will have to be decided by the Chairman of the Banking and Commerce Committee.

Hon. Mr. Isnor: I understand that one large body is eager to present a brief or at least make an appearance before the committee.

Hon. Mr. Robertson: Honourable senators, may I say a word just here? As pointed out by the senator from Toronto-Trinity (Hon. Mr. Roebuck), it is for the committee, through its chairman, to decide whether interested parties will be heard. Some people are desirous of appearing before the committee, and in anticipation of a reference I suggested to the honourable gentleman who in the chairman's absence I thought might be acting as chairman of the committee that consideration of this bill might be begun after the Senate rises tomorrow afternoon. It would not be feasible for the committee to take up the bill tomorrow morning, because I have undertaken to expedite as far as possible the work of a special committee which expects to have a large delegation appearing before it at that time. The session is approching its end, and it seems desirable that the committee should begin consideration of this bill as soon as possible, namely, tomorrow afternoon.

Hon. Mr. Haig: Honourable senators, people who want to appear before the committee ought to be notified in time to get here. This brings up a question which I intend to raise right now. There is a good deal of legislation yet to be dealt with, and honourable members in another place are apparently attempting to conclude their work by the end of next week. I know that the suggestion I am about to offer will make me very unpopular with the senators from Ontario and Quebec; but I do not mind, for it will be favourably received by senators from the other provinces.

I suggest that the Senate might condescend to sit on Friday and Monday, and that the Banking and Commerce Committee take up this bill on Friday morning. In the meantime notices could be sent out to interested parties. The senators from Ontario and Quebec are I admit, estimable citizens and very fine people, but we do not see very much of them, nothing like as much as we do of the senators from Western and Eastern Canada. If the committee sits on Friday morning, we shall have a chance to renew acquaintance with our Ontario and Quebec colleagues. If the meeting is called for Friday morning, there will be time for my friend from Halifax-Dartmouth (Hon. Mr. Isnor) to give notice of the meeting to the people he has in mind, and I shall be able to notify a party who has communicated with me about the matter.

Hon. Mr. Robertson: My suggestion was simply that the committee might begin consideration of the bill tomorrow afternoon, not with any thought of concluding work on it then.

Hon. Mr. Haig: That is satisfactory.

Hon. Mr. Robertson: If our Order Paper is cleared early to-morrow afternoon we may have a short sitting of the Senate, and it occurred to me that the committee could initiate its study of this bill immediately after the Senate rises. I have not made up my mind as to whether or not to recommend that we sit on Friday. Tomorrow I intend to enumerate the bills that are now before us and those that we may expect to receive before prorogation, and to be governed by circumstances as they then appear. Bearing in mind that some people optimistically inclined are hoping that prorogation may take place at the end of next week, I wish to make clear my desire to afford every facility for the consideration of public business, and if tomorrow it is evident that there will be anything for us to do here on Friday afternoon I shall not hesitate to move that we sit then.

Hon. Mr. Haig: May I be permitted another word? It is probable that by tomorrow afternoon, and almost certain that by Friday morning, the Committee on Finance will have its report ready. That report will be a very important document. The committee has done a tremendous amount of work—I say that, not because I am a member of the committee—and if we are going to give the report the careful consideration it deserves we ought to spend a full afternoon in discussing it. Whether what the committee has done has been good or bad is not for me to suggest, but I can assure the house that the report will contain a great deal of information of much value not only to us but to the whole country. In these circumstances I feel that after to-morrow's sitting our next sitting should be on Friday, or at the latest, Monday.

Hon. Mr. Reid: Honourable senators, may I ask—

Hon. Mr. Roebuck: Honourable members, may I say just a word in defence of the Ontario senators?

Hon. Mr. Haig: They need it.

Hon. Mr. Vien: Include the Quebec senators as well.

Hon. Mr. Roebuck: I will include the Quebec senators. I see a number of senators

from my own province of Ontario here at the moment—the senator from Carleton (Hon. Mr. Fogo), the senator from Ottawa (Hon. Mr. Lambert), the senator from Ottawa (Hon. Mr. Bishop), the senator from Huron-Perth (Hon. Mr. Golding), and the senator from Kingston (Hon. Mr. Davies).

Hon. Mr. Golding: We are here all the time.

Hon. Mr. Aseltine: Yes. Our colleague from Huron-Perth (Hon. Mr. Golding) is never absent.

Hon. Mr. Roebuck: As I say, a number of my Ontario and Quebec colleagues are here at the moment, and I think I express their sentiments as well as my own when I say that we are always willing to be present whenever the leader of the government thinks there is work for us to do. But it is not possible to be here at all sittings, without exception, and occasionally some senators from Ontario and Quebec are absent. But this is true of senators from the other provinces as well.

Hon. Mr. Beaubien: Most of those from Manitoba are always here.

Hon. Mr. Roebuck: They are not here all the time, though I will admit they are present at most sittings. The leader of the opposition (Hon. Mr. Haig) is certainly here during a very large proportion of every session, and we appreciate that. I only wish to add that if the leader of the government (Hon. Mr. Robertson) desires to have the house sit on Friday or Saturday, the senators from Ontario and Quebec will be present.

Hon. Mr. Haig: Hear, hear.

The motion was agreed to, and the bill was referred to the Standing Committee on Banking and Commerce.

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

FIRST READING

A message was received from the House of Commons with Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

The bill was read the first time.

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

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

TREATY OF PEACE (JAPAN) BILL

SECOND READING

Hon. Norman P. Lambert moved second reading of Bill 210, an Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

He said: Honourable senators, the basis for this bill is the treaty of peace between Canada and Japan. As honourable senators know, that treaty was signed at San Francisco on September 8 of last year, and in December of the same year Canada approved it by a resolution passed by both houses of parliament. Following this resolution, Canada's instrument of ratification of the treaty was deposited at Washington on April 17, 1952; and by virtue of the deposit of a similar ratification by the United States the treaty came into force on April 28, this year. It is perhaps worth while explaining that Canada's so-called instrument of ratification was really a note signed by our Minister of External Affairs and sent to the Department of State in Washington, reporting and confirming the action of our parliament in approving the treaty.

Article XXIII of the treaty required the deposit of an instrument of ratification by a majority of eleven countries, including the United States of America, the principal occupying power. It was arranged that the instrument of ratification of the United States should be withheld until at least five other countries had ratified. In this way the time of the coming into force of the treaty was known in advance, and Canada's instrument of ratification, which was in Washington on April 17, assured that the application of the treaty would date from April 28, 1952.

The peace treaty with Japan covers a wide range of international interests, the majority of which do not directly affect the laws of Canada. The purpose of the bill before us is to provide for the carrying out of certain provisions of the treaty which may affect the domestic laws of Canada. Therefore, any pertinent discussion of the treaty as a whole under this bill is limited by reason of its narrow application.

The real substance of the bill is found in section 3, which provides that implementation of the treaty may be effected by order in council.

The main purpose of the bill is to provide for the settlement of property claims resulting from the recent Great War, and which gave rise to many complex problems. The bill follows the same form as the legislation in connection with the peace treaties signed in 1948, between Canada and Italy, Roumania, Hungary and Finland.

The rights of Canadians who have claims against Japanese nationals must be reconciled with the possible recovery out of Japanese enemy assets held in Canada and surrendered to us under this treaty. This entails an appraisal of the different classes of claims, the amounts represented by each class, the amount of funds held here, and the prospects

of recovery in Japan. Under the treaty, rules must be established regarding the identity of Canadian nationals. In the matter of distribution of monies in the hands of the custodian, certain claims may not be immediately classified; a claim for restitution may ultimately be treated as a case for compensation. For these various reasons it cannot now be indicated what provisions will ultimately have to be made by order in council. Under the circumstances, parliament is being asked, by section 3 of the bill, to give the Governor in Council power to act if and when it is necessary to do so.

Section 4 of the bill gave rise to some discussion in the other house regarding the powers to be given the Governor in Council to impose penalties, but when it was learned, that a similar bill was passed by the British Parliament gave like powers to the British cabinet, the objections to this section were not pressed.

In conclusion I should like to say that the consideration of this bill before the External Affairs Committee of the other house was made the occasion of an interesting and thorough discussion on the treaty as a whole. Many phases of the treaty were considered, and much valuable information was supplied by such outstanding officials as Mr. Norman, head of the Far Eastern Division of the Department of External Affairs, Mr. Erichsen-Brown of the Legal Branch of that department, Mr. Wardroper of the Department of Citizenship and Immigration, Dr. Isbister of the Department of Trade and Commerce, and Mr. Napier of the War Claims Branch of the office of the Custodian of Enemy Property, under the Department of Secretary of State. Just last evening I had an opportunity of reading the typed report of the evidence given by these gentlemen during the sittings of that committee, which were held on June 3, 5 and 10. I regard it as most unfortunate that honourable senators—especially those who are members of our committee on External Relations—did not have the benefit of hearing what was said in those meetings.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: This was an opportunity for a joint meeting on a subject which needs all the interest that can be aroused. If my memory serves me right, when the treaty was presented to the house last year we all gathered the impression that we would have an opportunity later of discussing it in its broader phases; but, as far as I am now aware, the only opportunity which we will have of examining the treaty as a whole is within the narrow confines of this bill. Honourable senators are at considerable disadvantage by reason of not having heard the extensive information about the treaty which was given to members of the other place. I submit that the study of this bill in the other house should have been made the occasion for a joint meeting.

Possibly it is unfair to suggest that the busy officials whose names I have mentioned should be asked to repeat, within such a short time, before our Committee on External Relations the information they have already given, but if the chamber sees fit to give this bill second reading, I think it might be referred to our External Relations Committee so that one or two of the officials to whom reference has been made could give us as much information as possible about Japan's position in the world at this time.

One matter of importance is the relation of that country to Russia. There has been no formal conclusion of the war between Japan and Russia. What is going on between those two countries? Japan has no agreements with the Peiping government in China, but it has relations with the Nationalist government which is located in Formosa; it is also engaged in negotiations with India, which country was not a signatory of the peace treaty that concluded the war with Japan. These are questions which give rise to some perplexity. We all realize the importance of being at peace with Japan, but we want to know as well what are the implications of the treaty in relation to other countries. Under this bill there is no opportunity of discussing these broad phases; and the only excuse for referring the bill to committee is to enable us to enlighten ourselves, as members of the House of Commons were able to do, and so that we may approach the whole question of our future relations with Japan with some degree of intelligence.

One further aspect of this matter to which I would refer is that of our trade relations with Japan. Under the treaty of peace that country is entitled to the reciprocal arrangement of favoured-nation treatment. Until now she has been trading with us on the basis of the highest rates of the general tariff, but it is almost certain that she will now expect from us the benefits of most-favoured-nation rates. It is not generally known that in 1951 Japan was Canada's fourth largest market. We exported to that country last year goods of the value of over $80,000,000, of which $30,000,000 represented wheat.

Hon. Mr. Roebuck: How did we get paid.

Hon. Mr. Lambert: Canada may well look forward to substantial sales to Japan of hard wheat and hard wheat flour.

I need do no more than make these general references in connection with the treaty to indicate the advantages of examining these and other phases of the bill.

Hon. Mr. Roebuck: The honourable senator from Ottawa (Hon. Mr. Lambert) did not hear my remark. He tells us that we sold last year $80,000,000 worth of goods to Japan.

Hon. Mr. Lambert: In 1951 we exported goods of the value of $80,000,000, and our imports amounted to about one-fourth that sum.

Hon. Mr. Roebuck: Has Japan paid for these exports? How did Canada get paid?

Hon. Mr. Lambert: The financing of that trade was done largely from the two billion dollars of relief which was allocated to Japan by the United States.

Hon. John T. Haig: I do not intend to discuss the general principle of the bill. Like the honourable senator who has just spoken, I regret exceedingly that our Committee on External Relations did not have an opportunity of discussing the subject-matter of the treaty at the time when the committee in the other place held its sittings. The Chairman of the Senate Committee on External Relations has given us good service; he has been diligent in attempting to arrange for meetings. For the life of me I cannot understand why the committee in the other house did not invite us to be present and listen to the representations made before them.

Our main problem as a western nation is, next to the European question, to understand Far Eastern affairs. It will be remembered that when the President of the United States recalled General MacArthur, almost everybody in this country ranged himself on one side or the other in the violent dispute which followed. Who was right and who was wrong I will not say, nor will I express my own views. As a matter of fact I lack knowledge of the whole eastern problem. I do not pretend to be well informed on Western European questions, but I am sure that, like every other Canadian, I know more about them than I know of what is going on in the Far East. Yet Canada is a Pacific power; and certainly the people in the part of the country I come from are extremely interested in Oriental trade, especially the sale of grain and grain products. As a Canadian I would like to know more about Japan.

I am interested in the subject for another reason. In September 1939 this house voted to go to war against Germany, and I remember what a solemn moment it was. Two years later Germany attacked Russia. As Canadians we had to decide what we would do in that crisis. We determined, as did the United States and Great Britain, to help Russia. None of us, I suppose, was too happy about it, but we could not stand by and let Germany crush her eastern neighbour,—as in my opinion, without the help afforded by the West, she would certainly have done. So we gave what assistance we could to Russia to stave off the German attack until the western powers were able to perfect their organization, land on the European continent, and conquer Hitler.

For many years we regarded the Japanese as allies of Great Britain, with whom they had always been very friendly. But we saw this whole system break down. As Canadians we cannot forget how both Germany and Japan deliberately set out to conquer the world. Yet we already have made peace with Japan and are preparing to sign a peace agreement with Germany in the near future. I cannot see what other course we could have taken, but twenty-five years from now somebody may get up in this chamber and say, "I wonder why those stupid fools in the Senate ratified that peace treaty with Japan back in 1952? Surely they must have realized that such and such a thing would happen". Well, we are aware that certain things may happen all right, but we also realize that we must do something. We have to make a choice.

I feel that the government officials who are familiar with the Treaty of Peace between Canada and Japan should be summoned before our External Relations Committee to give evidence. There are many matters upon which we should be informed because there is no doubt that at the present time conditions in the Far East are not conducive to the establishment of any permanent peace. Canada is spending, for a country of its size, vast sums of money on the Colombo Plan in an effort to build up resistance against aggression in the Far East. Perhaps the strongest source of resistance against this aggression is to be found in Japan itself. I should like to know all the facts, so that when we make our decision we shall have full knowledge of what we are doing.

Like the honourable senator from Ottawa (Hon. Mr. Lambert), I think it is most unfortunate that the members of this house were not given the benefit of hearing what was said on this bill in the meetings of the External Affairs Committee of the House of Commons. I have nothing to say about the principle of the legislation, but I would strongly urge that it be sent to our Standing Committee on External Relations.

Hon. L. M. Gouin: Honourable senators, I agree with our senator from Ottawa (Hon. Mr. Lambert) and with the leader opposite (Hon. Mr. Haig) that this bill should be referred to

the Standing Committee on External Relations. As chairman of that committee I have always endeavoured to arrange joint meetings of members of both houses of parliament on questions of this importance, because I have always felt that it was useless to duplicate work.

For some reason honourable senators did not receive an invitation to sit in with the members of the other house when its committee on External Affairs was dealing with this bill; but we certainly have the right to refer this legislation to our own committee on External Relations.

Hon. Thomas Reid: Honourable senators, I rise to agree with the remarks made by the sponsor of the bill (Hon. Mr. Lambert). He said it was unfortunate that the members of this house were not given an opportunity to hear the representations made before the House of Commons Committee on External Affairs. I would go a little further, and say that a definite discourtesy was shown to the Senate in this matter.

Some Hon. Senators: Hear, hear.

Hon. Mr. Reid: I believe that when we were discussing the Japanese Peace Treaty a short time ago we were given to understand that the Minister of External Affairs would appear before our External Relations Committee to explain the various sections of the measure; but this he never did.

Honourable senators generally receive copies of the printed proceedings of the various committees of the House of Commons, but as yet I have received no copy of any proceeding dealing with this legislation. The only references I have found to this subject appeared in *Hansard* of the other house only the other day.

This is a most important piece of legislation, particularly as to the rehabilitation of Japan and how it will affect our attitude towards that country. When I was in Washington two weeks ago, in connection with the activities of the International Pacific Salmon Fisheries Commission, I met a delegation of American businessmen from the Pacific Coast. It may interest this house to know that these men were in Washington to do some lobbying on behalf of certain interests, and they were protesting to the United States Government about the importation of tuna fish from Japan. That marks the beginning of a fight that will probably extend to this country, because under the most-favoured-nation clauses Japanese goods may enter into this country free of duty. This may mean that Canada will be faced with the same situation with which now confronts these American businessmen. The United States has spent hundreds of millions of dollars in an effort to rehabilitate Japan and build her up.

The good faith of the Canadian businessmen is going to be tested before long when goods from West Germany and Japan begin flowing into this country. One reason is that the Canadian manufacturer finds it difficult to compete with his Japanese counterpart, because Canadian labour receives higher wages than Japanese labour. This is only one aspect of the situation, and the bill before us certainly needs a lot of explaining. It provides for certain fines and terms of imprisonment, but as a layman I am wondering just how these penalties can be applied under this peace treaty. I have read the bill through, and I am wondering whether this legislation will enable the government to carry out the terms of the peace treaty. I think these questions should be answered before we pass this bill.

I realize that the sooner we pass this bill the sooner the treaty will take effect; but it is no fault of the Senate that the matter has been left to this late date. I certainly feel that a joint committee of both houses of parliament should have dealt with this peace treaty, because there is nothing political involved and it concerns the whole nation. I trust the honourable leader of the government (Hon. Mr. Robertson) will see to it that before this bill is passed by parliament we shall have an opportunity to hear evidence from the appropriate officials. I am not a member of the Senate Committee on External Affairs, but I am vitally interested in this peace treaty, not only as a Canadian but as one who comes from the Pacific Coast and has had many dealings with the Japanese people. I am familiar with conditions in that country, and I think I know the effect that this treaty will have on the economy of Canada once we start trading with Japan.

Hon. Wishart McL. Robertson: Honourable senators, I can assure the house that the honourable chairman of the committee on External Affairs (Hon. Mr. Gouin) has always endeavoured to arrange meetings of the two houses on matters of this kind. He has done so in order to save the time of witnesses and departmental and other officials.

I have frequently said that once a bill has been introduced in the other house it may, if the Senate so desires, be studied in one of our committees in anticipation of its being received here later on in the session. Now, despite overtures made by our Committee on External Relations, no great eagerness has been shown by the corresponding committee of the other house to co-operate in the holding of joint meetings. And I must say that members of the Senate have not been

especially enthusiastic about sitting on joint committees for the purpose of dealing with measures prior to their second reading in this house. A year ago I specifically proposed that the Transport Bill be considered by a joint committee, and I do not think any one at all supported me in that.

As to the bill now before us, if I were the chairman of the Committee on External Relations I should feel a little reluctant to approach the corresponding committee of the other house once more and urge a joint meeting with it. But in order to ensure full consideration of certain measures, I would not hesitate to recommend to the Senate the we consider them in committee before they have been passed by the other house and sent over to us. If that procedure happened to inconvenience some officials, well, that would be just too bad for them. I repeat, once a measure has been introduced in the other house we have a perfect right to study it in committee, at any time that we may see fit to do so.

I intend to give the house notice to-morrow of two important bills now before the Commons, which, in my judgment, may not reach us until Wednesday or Thursday of next week; and I am going to put it up to honourable members whether or not they wish to examine these bills in advance of their passage over there. I do not think the Senate should pass any legislation until it feels it has all the necessary information, and—I say this for the future—if at any time an honourable senator desires to have one of our committees consider a bill that is on the Order Paper of the Commons, I shall be perfectly willing to do what I can to facilitate that procedure.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that this bill be referred to the Standing Committee on External Relations.

The motion was agreed to.

BELLEVILLE HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill F-12, an Act to incorporate the Belleville Harbour Commissioners.

He said: Honourable senators, I doubt that this bill will provoke any great discussion in the Senate. I should like to have it dealt with here and given second reading today, if possible, in order that it may be considered at tomorrow morning's meeting of the Committee on Transport and Communications.

Hon. Mr. Haig: This is the usual bill for incorporating harbour commissioners, is it not?

Hon. Mr. Robertson: Yes. I should perhaps give a brief explanation of it.

Chapter 35 of the Statutes of Canada, 1889, being an Act respecting the Harbour of Belleville, in the Province of Ontario, defines the limits of the harbour of Belleville and provides that the mayor of the city of Belleville, for the time being, and two persons appointed from time to time by Governor in Council, shall be commissioners under the Act and have superintendence of the harbour and harbour master of the port of Belleville. That Act did not establish the commissioners as a corporation.

The statute of 1889 is not considered to be adequate for the present needs, as it contains no power to lease or deal with lands and other waterfront property in the harbour. It is antiquated in other respects as well.

The bill provides for the incorporation of the Belleville Harbour Commissioners, consisting of three commissioners, one of whom shall be the mayor of Belleville, *ex officio*, and the others appointed by the Governor in Council. The powers of the proposed corporation would be similar to those of other harbour commissions established by parliament, and in particular would correspond to the powers of the Port Alberni Harbour Commissioners, established under their Act of incorporation passed in 1947.

The bill provides for the repeal of the old Act of 1889.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the

Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Ludvik Bulkiewicz.

An Act for the relief of Jean Betton Harris.

An Act for the relief of Violet Mary Bailey Black.

An Act for the relief of Corrine Larocque Sergent.

An Act for the relief of Omer Montpetit.

An Act for the relief of Ismena Archange Labatt Chipman.

An Act for the relief of Rose Larocque Crawford.

An Act for the relief of Gladys Lucille Jane Annal Williams.

An Act for the relief of Emily Amelia Ahern Manhire.

An Act for the relief of Margaret Joyce Berryman Thomas.

An Act for the relief of Lillian Deutsch Payne.

An Act for the relief of Murdoch Graham Nicholson.

An Act for the relief of Jeanne Antoinette Sophie Helena Kessler Meyer.

An Act for the relief of John Stachyshyn.

An Act for the relief of Theodora Dunska Williams.

An Act for the relief of Marguerite Mary Winn Nelson.

An Act for the relief of Roger Pilon.

An Act for the relief of Winnifred Shirley Nice Perry.

An Act for the relief of Ursula Runge Kniewel Fijalkowski.

An Act for the relief of Bella Sybil Feinman Brenton.

An Act for the relief of Helen Kouri Cumas.

An Act for the relief of Cora Marguerite Blume.

An Act for the relief of Marie Maude Louise Ladriere Cook Tooby, otherwise known as Marie Maude Louise Ladriere Cook-Salisbury Tooby.

An Act for the relief of Laetitia Daigneault Martel.

An Act for the relief of James Alexander Ford.

An Act for the relief of Joseph Gerard Abondius Fauvel.

An Act for the relief of Richard Patenaude.

An Act for the relief of Francoise Bellehumeur Dixon.

An Act for the relief of Cynthia Daphne Roberts Gagne.

An Act for the relief of Dorothy May Tucker Patterson.

An Act for the relief of Reginald Clare Darrah.

An Act for the relief of Marjie Weston Frost Law.

An Act for the relief of Carmen Verna Garcia Copping.

An Act for the relief of Edna Ruth Dowsett Young.

An Act for the relief of Eleanor Mary Courtney Flannery.

An Act for the relief of Florence (Fannie Ruth) Sacks Roitman.

An Act for the relief of William Wallace Watson.

An Act for the relief of Russell James Barrett.

An Act for the relief of Alice Sabria O'Connor Muskett.

An Act for the relief of Julia Emma Pearl Sager Noiseux.

An Act for the relief of David Gilmore Bennett.

An Act for the relief of Kathleen Hilda Turk Woodall.

An Act for the relief of Mary Elizabeth Cate Lowe.

An Act for the relief of Aldea Gendreau Bourbonnais.

An Act for the relief of Peter Ernest Walker.

An Act for the relief of Dorothy Agnes Kearns Bradley.

An Act for the relief of Sarah Bernstein Smith.

An Act for the relief of Margaret Gladys Redman Glassco.

An Act for the relief of Louise Joslyn Smith Harvey-Jellie.

An Act for the relief of Bertha Naujoks Stehr.

An Act for the relief of Margit Aloisia Payer Worontschak.

An Act for the relief of Leo Kendall.

An Act for the relief of Tom Barnard Clayton Gould.

An Act for the relief of Helene Laura Solomon Wiseberg.

An Act for the relief of Joan Borland White.

An Act for the relief of John Laurence McDonough.

An Act for the relief of Jean Wiseman Schwartz.

An Act for the relief of Judith Sorel Riven Gainsbury.

An Act for the relief of Agnes Bertha Baugh Guimont.

An Act for the relief of Genevieve Flora Agatha Brown Smith.

An Act for the relief of Marcelle Alice Beliveau Martin.

An Act for the relief of Marcel Despatis.

An Act for the relief of Joseph Wilfrid Ernest Senecal.

An Act for the relief of John Harold Roger Wright.

An Act for the relief of Agathe Neubauer Landsberg.

An Act for the relief of Norma May Attridge Chilton.

An Act for the relief of Andrea Gendron Repper.

An Act for the relief of Edith Bessie Franks Parsons.

An Act for the relief of Annie Teresa Nash Pelltari.

An Act for the relief of Mary Clemence Morice Waldbauer.

An Act for the relief of John Gordon Smithers.

An Act for the relief of Libby Levine Bloom.

An Act for the relief of Shirley Israel Thau.

An Act for the relief of Ralph Patrick Barker.

An Act for the relief of Madeleine Kostick Glock.

An Act for the relief of Olive Myrtle Weston Rouet.

An Act for the relief of John William Day.

An Act for the relief of Marcelle Marchand Adams.

An Act for the relief of Marie Marguerite Germaine Aubert Forest.

An Act for the relief of Betty Lauraine Conner Norell.

An Act for the relief of Francoise Marguerite Beaudin Patrick.

An Act for the relief of Greta Mildred Duncan Croteau.

An Act for the relief of Leo Bercovitch.

An Act for the relief of Joseph Raymond Demers.

An Act respecting The Burrard Inlet Tunnel and Bridge Company.

An Act to amend the Excise Tax Act.

An Act to amend The Excise Act, 1934.

An Act respecting the Establishment of a National Library.

An Act to amend The Tariff Board Act.

An Act to amend The Canada Elections Act.

An Act respecting the construction of a line of railway by Canadian National Railway Company from Terrace to Kitimat, in the province of British Columbia.

An Act to amend the Canadian Farm Loan Act.

An Act to amend The Emergency Gold Mining Assistance Act.

An Act respecting The Sisters of Charity of the House of Providence.

An Act respecting a certain patent application of The Garrett Corporation.

An Act to incorporate The Great Eastern Insurance Company.

An Act respecting The Economical Mutual Fire Insurance Company.

An Act to incorporate Equitable Fire Insurance Company of Canada.

An Act to incorporate The National Dental Examining Board of Canada.

An Act to amend The Income Tax Act.

An Act to amend the Customs Tariff.

An Act to amend The Canada-France Income Tax Convention Act, 1951.

An Act to amend the Aeronautics Act.

An Act to amend The Dominion Succession Duty Act.

An Act to amend the British North America Acts, 1867 to 1951, with respect to the Readjustment of Representation in the House of Commons.

An Act for the Control of Traffic on Government Property.

An Act to amend The Industrial Development Bank Act.

An Act to amend the Criminal Code (Race meetings).

An Act to amend the Cold Storage Act.

An Act to amend The Canada Dairy Products Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

UNEMPLOYMENT INSURANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 332, an Act to amend the Unemployment Insurance Act, 1940.

The bill was read the first time.

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

Hon. Mr. King (for Hon. Mr. Robertson): Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 19, 1952

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

Prayers and routine proceedings.

NORTHWEST TERRITORIES BILL

FIRST READING

A message was received from the House of Commons with Bill 337, an Act respecting the Northwest Territories.

The bill was read the first time.

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

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

DIVORCE

REPORT OF COMMITTEE

Hon. W. M. Aseltine, Chairman of the Standing Committee on Divorce, presented and moved concurrence in the 324th report of the committee.

He said: I wish to advise honourable members that this completes the list of the petitions that we shall hear this year. I would like to have the report adopted today, so that I can present bills covering the balance of the session's work.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Bouffard presented and moved concurrence in the report of the Standing Committee on Miscellaneous Private Bills on Bill F-11, an Act to incorporate the Canadian Shipowners Mutual Assurance Association.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred Bill F-11, an Act to incorporate the Canadian Shipowners Mutual Assurance Association, have, in obedience to the order of reference of June 10, 1952, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 2 line 16: after the word "thereto" add a comma and delete lines 16, 17, 18, 19, 20 and substitute the following: "and the Association may create and operate any separate class of insurance subject to the condition that no member of any other separate class as such"
2. Page 2 line 27: delete the word "same" and substitute the word "claim."
3. Page 2: delete sub-clause "(e)" and substitute the following:

"(e) acquire and hold real estate and invest or lend its funds, or any portion thereof, subject, however, to the provisions, limitations and conditions that apply in that behalf to a company registered under Part III of The Canadian and British Insurance Act, 1932;"

4. Page 2: sub-clause (f) delete lines 47, 48, 49 and the words "to have dealings and" in line 50.
5. Page 3: delete sub-clause "(g)."
6. Page 3: reletter sub-clauses (h) as (g); (i) as (h); (j) as (i); (k) as (j); (l) as (k); (m) as (l).
7. Page 3 lines 15 and 16: delete line 15 and the word "and" in line 16.
8. Page 3 line 21: delete the word "objects" and substitute the word "purposes."
9. Page 3 line 35: after the word "Association" insert a semi-colon.
10. Page 4 line 18: delete the word "five" and substitute the word "nine."
11. Page 4 line 43: delete the word "five" and substitute the word "nine."
12. Page 5 line 42: after the word "suit" insert a comma.
13. Page 6 line 34: after "16" insert "(1)" as a sub-clause.
14. Page 6 line 43: after the word "established" insert "(2)" as a sub-clause.
15. Page 7 line 7: after the word "interested" insert "(3)" as a sub-clause.
16. Page 7 line 20: after the word "company" insert "(4)" as a sub-clause.
17. Page 8 line 27: delete the word "fiscal" and substitute the word "financial."
18. Page 8, line 29: delete the word "fiscal" and substitute the word "financial," and after the word "year" insert a comma, and delete "This annual statement."
19. Page 8 line 30: delete the words "shall be."
20. Page 8 line 32: after "21" insert the following words: "Except as provided in section three."

The motion was agreed to.

THIRD READING

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

Hon. Mr. Bouffard: With leave of the Senate, I move that the bill be read the third time now.

Hon. Mr. Haig: Honourable senators, for the benefit of those who are not members of the Standing Committee on Miscellaneous Private Bills, which studied this measure, I may say that the amendments which the committee made are in a sense not important. They all were requested by the Department of Insurance. The bill inaugurates a new system of marine insurance in Canada. Heretofore our marine insurance has been largely placed in the United States or the United Kingdom, but Canadian shipowners are eager to have Canadian insurance made available to them, especially in view of the possible necessity for war risk insurance. An agreement for the guaranteeing of losses is to be entered into between the Department of Finance and the Association, but that is not dealt with in the bill.

The Department of Insurance followed the bill in committee very closely. As it is the first bill of its kind to be brought before

parliament, the department and the committee were very careful to see that it was in proper form, since any future petitioners for a bill to incorporate a similar organization will use this measure as a pattern. For that reason the committee spent far more time on the bill than otherwise would have been necessary. The solicitor for the applicant agreed to all the suggested amendments except one: he felt that it was sufficient for the association to have five directors, instead of nine, as insisted upon by the department. The committee agreed with the department. However, five directors constitute a quorum, so that number may transact business.

The Department of Insurance suggested one or two business provisions with which the committee did not agree. This association is a co-operative organization, and the department raised some objection to the insuring by the association of a vessel owned by a person who had an interest in the association. Well, as I say, this association is a co-operative, and if you insure a ship in it you certainly have an interest in the insurance business itself.

I was present at the committee meeting during the whole time that the bill was under consideration, and I heartily agree with all the amendments. They were carried unanimously, without a vote. I am glad that we are proceeding to pass the bill today, because I think that this move to get our marine insurance back from the United Kingdom and the United States is a very good one, and I hope that the bill will reach the other house early enough not to be lost in the shuffle before prorogation.

Hon. Mr. Reid: It is nice to have this explanation before third reading is given.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Kinley presented and moved concurrence in the report of the Standing Committee on Transport and Communications on Bill O-11, an Act to incorporate Ogdensburg Bridge Authority.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred Bill O-11, an Act to incorporate Ogdensburg Bridge Authority, have in obedience to the order of reference of June 16, 1952, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 6, line 12: delete "ten" and substitute "twelve."

2. Page 6, line 34: clause 19, insert the following as subclause (1): "19. (1) The Company and all companies or authorities mentioned in sections fourteen, fifteen, sixteen and seventeen with which the Company has united or become amalgamated shall enact and prescribe by by-law the manner and periods in which the corporate obligations and stock of the Company, companies or authorities shall be retired, and the Company and each of said companies or authorities shall submit every such by-law so enacted to the Governor in Council for approval; and no issue of bonds of the Company or any such company or authority shall be sold or offered for sale unless and until such by-law or by-laws shall have been so enacted and approved."

3. Page 6, line 34: delete "19" and substitute "(2)."

The motion was agreed to.

THIRD READING

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

Hon. Mr. Baird: With leave of the Senate, now.

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

BELLEVILLE HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Mr. Kinley presented the report of the Standing Committee on Transport and Communications on Bill F-12, an Act to incorporate the Belleville Harbour Commissioners.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred Bill F-12, an Act to incorporate the Belleville Harbour Commissioners, have in obedience to the order of reference of June 18, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

EASTERN ROCKY MOUNTAIN CONSERVATION BILL

FIRST READING

Hon. Mr. Robertson presented Bill E-12, an Act to amend the Eastern Rocky Mountain Conservation Act.

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill H-12, an Act for the relief of Meryl Elman Kluger Schreiber.

Bill I-12, an Act for the relief of Janusz Juljan Borzecki.

Bill J-12, an Act for the relief of Perley John Walden.

Bill K-12, an Act for the relief of Louis Jules Fabry.

Bill L-12, an Act for the relief of Kathleen Anne Bentley Hainsworth.

Bill M-12, an Act for the relief of Ethel McCready Thomas.

Bill N-12, an Act for the relief of Lois Edith Laffoley Kelly.

Bill O-12, an Act for the relief of Evelyn Helen Cowell Varrin.

Bill P-12, an Act for the relief of Marion Helen Hawes Gordon.

Bill Q-12, an Act for the relief of Winnifred Isobel Bassett Yuill.

Bill R-12, an Act for the relief of Eileen May Walker Cole.

Bill S-12, an Act for the relief of Frank Ashworth.

Bill T-12, an Act for the relief of Margaret Galbraith Hardie McCall.

Bill U-12, an Act for the relief of Goldie Natovitch Molson.

Bill V-12, an Act for the relief of Norma Veronica Besner Roast.

Bill W-12, an Act for the relief of Catherine Anna Regan Herdt.

Bill X-12, an Act for the relief of Errol Alexander Edgley.

Bill Y-12, an Act for the relief of Marie Marguerite Eugenie Lucie Prevost Lalonde.

Bill Z-12, an Act for the relief of Myrtle Meloche Reath.

Bill A-13, an Act for the relief of Eileen Margaret Smith Bates.

Bill B-13, an Act for the relief of Selim Jean Malakie, otherwise known as Solomon Malacket.

Bill C-13, an Act for the relief of Ruby Lydia Donnelly Champion.

Bill D-13, an Act for the relief of Edna Edith Lily Caron Gourdie.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, now. I so move.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move third reading now.

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

BUSINESS OF THE SENATE

Hon. Wishart McL. Robertson: Before the Orders of the Day are proceeded with I propose to give honourable senators a brief review of the legislative program which faces us. It may have some bearing on our future action.

I have no way not open to other honourable senators of foretelling when prorogation will take place. The optimistic hope that it will occur about the end of next week: others, seasoned and more experienced in such matters, have grave doubt about this, although I suppose it is true of all of us that "hope springs eternal". However that may be, as far as I am concerned, and within the limit of my powers, I shall work on the assumption that all necessary time will be given to the matters yet outstanding.

First let me refer to the business now before the Senate or its committees. This includes: the Combines Investigation bill, the Canada-Japan Treaty, the International Boundaries Treaty bill, the Northwest Territories bill, the Eastern Rocky Mountain Conservation bill, a bill to revise the capital structure of the Canadian National Railway Company, a bill to amend the Unemployment Insurance Act, and certain concurrent resolutions, including the extradition treaty agreement. Another matter, not in the foregoing classification, is the report of the Finance Committee, whose recommendations, as honourable senators know, usually require some time to debate.

Three other measures before our committees are the Trade Marks Bill, the Food and Drugs Bill, and the bill respecting the Criminal Law. With no desire to anticipate or influence the actions of the committees in respect of these bills, I may mention that it is my understanding that none of them will pass into law this session, although any or all of them may be given some further consideration in the coming week.

Among the measures now before the other place and likely to come before us soon is the Redistribution Bill. Although I have no

way of knowing what the attitude of honourable senators will be towards that measure, I have so much confidence in the government of which I am a member and in the party which I support, that I believe the bill will be a reasonable and fair one, and that probably not much time will be required to discuss it. I have not much experience of bills of this kind and none at all in the House of Commons, so I do not know how long the discussion in the other place will take; but I would think that when the bill comes to us a reasonable attitude towards it might be that "the King", in the person of the House of Commons, "can do no wrong". But that is for this house to decide.

Other pending legislation includes a bill respecting allowances for Veterans and their Dependents, a Veterans Dependents bill, Veterans Insurance bill, Veterans Pension bill, Civilian War Pensions Allowances bill, Canadian Grain bill, Immigration bill, Army Benevolent Fund bill, Marine and Aviation War Risks Insurance bill, Tax Agreements bill, Canadian National Railway Borrowing bill, and another bill, which may not be before the other house at the moment, in respect of coinage and foreign exchange, the resolution concerning which may have been introduced today.

As far as the other house is concerned, I understand that this afternoon it is engaged on estimates and is likely to be similarly employed tomorrow, so that as far as I know further progress on legislation in the other place is unlikely before early in the coming week.

Without venturing to assess the relative importance of this legislation, I would again mention the bill respecting immigration, which I had hoped to have introduced here but which was initiated in the other place. That bill was, I believe, reported today from committee, and will be dealt with in the other place early next week and come to us somewhat later in the week. It is a rather long measure, of considerable importance, particularly to some of our members. Two or three suggestions have occurred to me in this connection. One is to wait until the bill reaches us, and thereafter take whatever time we see fit to consider it. The sections got a good deal of attention in the committee, which held a number of lengthy hearings. Under ordinary circumstances, after second reading of a bill of this kind I would move its reference to the Committee on Immigration and Labour. But if honourable senators feel that a formula can he adopted which would be acceptable to his Honour the Speaker, I would be willing to have the subject matter of this legislation referred to committee in advance of the receipt of the bill. I am in the hands of honourable senators. I asked the chairman to ascertain from some of her committee members whether this would meet with their wishes. If so I would be willing to facilitate this procedure. The departmental officials could appear tomorow, but the minister has said that he will not be available until Monday. If it is the wish of the committee to have the minister appear early next week, I am prepared to arrange for this. I cannot give any better idea of when this legislation will reach us, nor can I say what period will elapse between that time and prorogation.

I have been advised by the Minister of Finance that the bill dealing with currency and related matters is largely technical in nature, and that it makes provision for certain stand-by powers relating to future foreign exchange control. I have always been rather wary about legislation of this kind, because one of my first duties as government leader was to handle a foreign exchange control regulation. However, I do not think this legislation is contentious, though my view, of course, may not agree with that of others. I do not know when this legislation will come before the Senate, but the minister has said that he intends to have it referred to the House of Commons Committee on Banking and Commerce before it comes to us. I am prepared to ask that an invitation be extended to the members of this house to attend the meetings of that committee when it is dealing with this legislation. I realize that this idea is generally not acceptable to honourable senators, but I would point out that yesterday some of them raised the point that they had not been invited to attend the meetings of the Committee on External Affairs when it was dealing with the Japanese Peace Treaty after the bill was given second reading in the other place. On the other hand, if that suggestion does not meet with the approval of honourable senators, I am prepared to facilitate the reference of the subject matter of this legislation to the Senate Committee on Banking and Commerce, and I shall do everything in my power to see that honourable senators have ample time to consider the measure when it comes to them.

There is already a good deal of work before our committees. The Standing Committee on External Relations is to meet tomorrow morning to consider Bill 210, an Act to provide for carrying into effect the treaty of peace between Canada and Japan. I should like, if possible, to have the Banking and Commerce Committee meet later in the morning, as there is still a large amount of legislation to be dealt with by this committee.

I am going to move that this house sit tomorrow and that it reassemble at 3 o'clock on Monday afternoon, when I hope to have one of my cabinet colleagues come to this chamber to explain the Rocky Mountain Conservation Bill. This measure is being initiated in this house, and I want to facilitate its passage to the House of Commons. I can assure honourable senators that I have done everything in my power to help bring about early prorogation and at the same time give honourable senators full opportunity to consider all legislation which may come before them.

Hon. John T. Haig: Honourable senators, I have never been in favour of members of this house attending committee meetings of the other place. I do not believe in that practice at all, and I do not think it is a proper procedure. At the same time, I accept with pleasure the proposal to bring the Immigration Bill before our committee at once, so that we can give it immediate consideration. I think this would also be a good way to handle the legislation regarding currency and related matters. I feel that we were given a good insight into the Transport Bill last year, because we were given every opportunity to go into the matter fully in committee.

I am glad to learn that this house is to sit tomorrow. It will give us just that much more time to do our committee work. I am a fairly regular attendant at our committee meetings, and I find that when we are pushed too much we are unable to give legislation the consideration it deserves.

I am afraid that the leader of the government (Hon. Mr. Robertson) is rather optimistic about the currency bill. It certainly can be regarded as contentious if there is any question at all about it extending the power of control over currency, and so on. I would strongly urge that we get the bills on immigration and currency before our respective standing committees as soon as possible, so that we will have ample time to consider them there.

Hon. Mr. Reid: Before the Orders of the Day are called, may I direct a question to the honourable leader? A few moments ago he tabled a report on war claims. This matter has been under study and investigation for a considerable length of time. In view of the number of Canadians who are awaiting adjustment of their claims, I am wondering if the leader has any information as to when these claims will be considered?

Hon. Mr. Robertson: That is a very important question, and I would ask my honourable friend to be kind enough to put it in writing so that I can send it to the officials who are in a position to give him the information he desires.

Hon. Mr. Reid: I shall be pleased to do so.

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

He said: Honourable senators, when the leader of the government (Hon. Mr. Robertson) was kind enough to ask me to move the second reading of this bill, I was reminded of the time many years ago when I bought my five year old son his first mechanical railway. From time to time we added links to the tracks and various units to the other equipment, until the little railway grew to quite a size. I do not know who was the more interested in that, the father or the son.

Hon. Mr. Emmerson: It is generally the father.

Hon. Mr. Isnor: My honourable friend says it is generally the father. Well, as time went by I found that my interest was taken over by my son, who in turn bought a mechanical train for his own son of five years. I watched with fascination the way in which that train grew from one or two passenger coaches to a railway that included freight trains, locomotives, and finally diesel type engines hauling aluminum passenger coaches. I saw the electric wiring installed, the signals arranged, the switchboard setup, and the whole thing operated as the Canadian National, Canadian Pacific, or any other up-to-date railway system is operated It was because of all that, perhaps, that I particularly welcome the opportunity which the leader of the government (Hon. Mr. Robertson) was good enough to give me when he suggested that I explain this bill.

And my own liking for watching the movements of trains enables me to appreciate why the present Minister of Transport, the Honourable Lionel Chevrier, is so deeply devoted to his work. I recall what a fine impression he made when he first came into the House of Commons, in 1935. He attended to his duties so faithfully and well that in 1943 he was appointed Parliamentary Assistant to the then Minister of Munitions and Supply, the Right Honourable Mr. Howe; and in 1945, he was made Minister of Transport. I think he has done an exceptionally fine job in handling his portfolio. Some of us do not always see eye to eye with him. In fact, for many years I have tried to get him to take action to have the Maritimes better served,

through faster running times and improved equipment. However, I am not going into that matter today; I intend to stick as closely as possible to the text of the bill. But I did feel that I should pay this compliment to the Minister of Transport, because this bill for the revision of the capital structure of the Canadian National Railway Company is largely the result of his endeavours to bring about improvements in the transportation system of our country.

To my mind it was fortunate that when Mr. Vaughan retired as President of the Canadian National Railways a few years ago, Mr. Chevrier selected as the new president an outstanding financial man, who had made a name for himself during the war as Chairman of the Wartime Prices and Trade Board, and before that as Deputy Governor of the Bank of Canada. I imagine that in appointing Mr. Gordon to the high office of president the Minister had in mind the financial problems facing our publicly owned railways.

Honourable senators, I am sure you have all received a copy of the latest annual report of the Canadian National Railways. The company's annual report has always intrigued me, because of the information it contained. You probably recall that the inside of the cover of this year's report shows a map of Canada, with the Canadian National Railway system indicated by a continuous red line extending from St. John's, Newfoundland, on the east, to Vancouver, on the west, a distance of approximately 4,000 miles. The railway serves a population of 14 million, and an area of 3,845,745 square miles. These figures are sufficient to give some idea of the difficulty of financing the Canadian National and making its operations a success.

The Canadian National and the Canadian Pacific both have played a very important part in the economic development of our country. As all honourable senators know, the Canadian National is publicly owned and the Canadian Pacific is a private company. These two railways combined have a total of 57,997 miles of railway, a mileage surpassed only by that in the United States and in the Union of Soviet Russia, both of which countries have a very much larger population than that of Canada.

It is of interest to recall that the Canadian National Railways System came into being as such in 1923, through the amalgamation of a number of privately owned and publicly owned railways. For some ten or twelve years beginning with 1900 there was a period of great prosperity in the West, accompanied by increasing population there, and the Canadian Northern and the Grand Trunk Railways, feeling that the time was opportune, formed a number of additional railway companies. However, by 1921, or perhaps even earlier, many of these companies were in financial difficulties, and they were, as I say, amalgamated in 1923 into the Canadian National Railways System, and since that time the system has been operated by a Board of Directors who are representative of all sections of the country. The operations of this railway, of course, like those of the Canadian Pacific, are under the supervision of the Board of Transport Commissioners.

That is a brief background of our publicly owned railway system up to 1923. I do not propose to deal with its development year by year, but I should like to quote from the report of 1951 some figures which have a definite bearing on the bill now before us. On page 6 there is a financial statement, showing the results of operations for 1950 and 1951. I propose to deal only with the figures of 1951. Realizing that figures are somewhat dry, I shall endeavour to present them in as interesting and brief a way as possible.

For 1951 the operating revenue was $624,834,120, and operating expenses amounted to $580,150,221. This left a net operating revenue of $44,683,899. But against that there was a deduction, for taxes, equipment rents and other income accounts, of $12,900,780, leaving available for payment of interest $31,783,119. The interest on bonds held by the public amounted to $23,467,703, so there was left available for payment of government interest $8,315,416. But the amount of interest actually owing to the government was $23,347,412, so the operations for the year resulted in an income deficit of $15,031,996. If we were to review the operations of the system year by year over the past twenty years, the apparent annual deficit would be about $20 million per year. It is, therefore, obvious that the financing of the railway system is a real problem.

The report contains a further item of interest to us as Canadians. It shows that during the year 1951 more than 194,000 immigrants entered Canada—the largest inflow since 1913; and in the same year the system operated some 294 special trains for the transportation of immigrants from ports of entry. The report further shows that 223 industrial spur lines were put into operation last year; and quite recently authority was granted for the construction of a new branch line in British Columbia to serve the Kitimat district, where the aluminum operation is taking place. All these railway operations cost money, and they demonstrate the necessity for borrowing from the public or the government in increasing amounts.

The Canadian National Railway Company is year by year facing greater competition from other modes of transportation. Today airlines are catering to the demand for a more speedy movement of some traffic, and this has made considerable inroads into the revenue of the Canadian National Railways. Water carriers compete with the railways for the transportation of bulk goods. The large number of applications to parliament for the construction of oil pipe-lines from western to central Canada indicates that a new field of competition will further reduce the revenues of the Canadian National Railways. Because of these and other factors, the government has felt that some action must be taken.

Honourable senators will recall that the Royal Commission on Transport, headed by the Honourable W. F. A. Turgeon was set up in 1948, and made its report in 1951. That commission made some eight definite recommendations, most of which were along the lines of financial reconstruction of the Canadian National system. The report of the railway quotes the findings of the commission in part as follows:

> The Canadian National Railways has established a case for reduction on its fixed charges and for the desirability of the company being able to accumulate out of earnings a reserve or something to come and go on.

Following the report of the Commission, a departmental committee was set up to study the various recommendations made, and this committee, in turn, made a report to the appropriate Minister of the government recommending that certain action be taken. That action is embodied in the bill which we now have before us.

Before proceeding to explain the bill, I may say that I quite realize its importance. As I have not had the legal training that many of my colleagues have had, I hope the house will bear with me as I explain in my simple language the application of the several sections of the bill.

The Canadian National Railway system is made up of four principal railways: The Canadian National Railway Company has absorbed by amalgamation the old Grand Trunk system; it controls by stock ownership the Canadian Northern and the Grand Trunk Pacific system; it also has been entrusted with the management and operation of the Canadian government railways, which include the Intercolonial Railway, the National Transcontinental Railway, the Newfoundland Railway and the Hudson Bay Railway. These four principal railways, including their subsidiaries, are generally referred to under the collective name of Canadian National Railways. Operations as a unified system commenced on January 1, 1923 and have continued under different forms of management to the present day. At the present time the management of the national system is conducted by a board of directors appointed by the governor in council.

The capital structure of the Canadian National Railways has always presented a problem to the government of the day, and in 1937 parliament dealt with this problem by enacting the Canadian National Railways Capital Revision Act. That Act transferred to a corporation called the Canadian National Railways Securities Trust certain indebtedness of the national railways to His Majesty. This had the effect of eliminating from the balance sheet of the railways the old loans for capital purposes and for deficits, together with accrued interest thereon, amounting in all to $1,218,642,195.

The Capital Revision Act, however, did not deal with the large funded debt in the hands of the public, and went no further than I have indicated with respect to loans made by the government to the national railways for capital purposes. Furthermore, the Act of 1937 did not establish any policy for future financing of the railways, except to proceed along the well-worn path of borrowing either from the public or the government, as the need arose.

In 1948 the government directed the Royal Commission on Transportation to review the capital structure of the Canadian National Railway Company, and to report on the advisability or otherwise of establishing and maintaining the fixed charges of that company on a basis comparable to that of other major railways in North America. The recommendations of the Royal Commission on the recapitalization of the national system are found in chapter 6, pages 196 to 198 of the commissions report.

I propose to deal briefly with the recommendations of the commission and the corresponding provisions of the bill.

The Royal Commission recommended that the fixed interest-bearing government loans outstanding on December 31, 1949, totalling $743,661,000, be converted into 3 per cent income debentures on which interest would be paid only if earned. The bill provides for the writing off of an amount of $736,385,405, being 50 per cent of the total indebtedness of the national company to the government and the public, outstanding as of December 31, 1951. In exchange for this release of indebtedness the national company will issue to the government an equivalent amount of 4 per cent preferred stock.

In addition to this relief from excessive debt charges, the bill provides for a ten-year moratorium on interest due on $100 million of funded debt owing to the government.

The royal commission in its first recommendation considered that as a temporary measure the Canadian National Railways should be reimbursed annually by the government for the operating losses of the Newfoundland Railway and steamship services, and also for capital expenditures in respect thereof. I might say that the government did not agree, but decided on another form of assistance to which I will refer a little later.

However, the government recognizes that the Sydney-Port aux Basques ferry is in a somewhat different position, and proposes, although this is not included in the bill, to assume the operating deficits of that ferry service. This will be done by submitting to parliament each year an appropriation to cover the operating deficits of the ferry service, in line with the procedure adopted by parliament in the case of the Prince Edward Island car ferry. In 1951 the deficit of the Sydney-Port aux Basques ferry was approximately one and a quarter million dollars.

In recommendations numbered 4, 5 and 6 the royal commission recommended that after payment of interest due the public the Canadian National Railways be allowed to accumulate out of earnings in each year a reserve, or something to come and go on, such reserve to be not more than the lesser of, (a), one-third of the income after providing for all charges and deductions from income except interest on the company's obligations, or (b), the balance of the income after payment of interest on debts due to the public.

It appears that the real objective of the commission was the establishment of the principle that some portion of the annual capital expenditures of the railway for additions and betterments should be financed without adding to the fixed interest-bearing debt of the railway.

Probably there are some additions and betterments required from year to year which do not add greatly to the earning power of the railway, and unless these can be financed, in part at least, out of earnings or by equity capital, there will be a constant increase in the fixed interest-bearing debt of the railway and perhaps a continuing tendency for annual interest charges to rise beyond the railway's earning capacity.

The bill provides for the annual purchase by the government during the period 1952 to 1960 inclusive of additional 4 per cent preferred stock in an amount equivalent to 3 per cent of the railway's gross revenues, to provide the company with a reserve to be used for ordinary additions and betterments. This percentage of gross revenue is a figure which would be subject to review at the end of 1960, in the light of circumstances existing at that time. Any capital requirements which could not be met out of this reserve and other reserves of the railway should be financed by interest-bearing loans either from the public or the government. These are matters in regard to which appropriate decisions can only be made at the time financing is required.

The royal commission recommended that the shares of the Canadian National Railways securities trust now held by the government be turned over to the Canadian National Railways in exchange for an equal number of the company's shares. The bill provides that this be done and that the securities trust be continued for the purpose of protecting the priority of government claims in respect of collateral securities.

The commission's seventh recommendation was that any capital required to finance the company, in addition to reserves accumulated from operations, be obtained from the sale of bonds to the public and income debentures to the government. The government felt that serious consequences might arise from the adoption of this recommendation, and did not approve it.

The commission recommended also that surplus earnings, if any, after payment of interest on debts due to the public, provision for reserves, or something to come and go on, and payment of interest on government loans, should be dealt with at the discretion of the directors.

The bill provides that surplus earnings remaining after the payment of interest on funded debt, income taxes and dividends on preferred stock, shall be remitted annually to the government; or the governor in council may direct that the whole or any part of the surplus remaining shall be applied toward the discharge of the obligations of the national system. If in any year railway earnings are not sufficient to cover all expenses, including payment of interest on funded debt, parliament will be asked to vote the deficit.

The government considers that the provisions of the bill provide a generous solution to the problem of enabling the national railways to finance capital expenditures without an undue accumulation of fixed interest-bearing debt and annual fixed charges. If these proposals are adopted, the national railways would be relieved of fixed interest charges on government loans amounting to some $22,000,000, and in addition would have a ten year moratorium on interest charges on another $100 million. The railways would

also be relieved of the burden of the operating loss in respect of the Sydney-Port aux Basques ferry service.

Hon. Mr. Haig: May I ask the honourable member who, then, will pay the loss?

Hon. Mr. Isnor: Would the honourable senator allow me to finish my remarks? All things considered, I think the bill provides an acceptable solution to the problem of revising the capital structure of the Canadian National Railways.

In reply to the honourable senator's question as to who will pay the loss, I would say that at the present time the Canadian government meets and pays all deficiencies in connection with the Prince Edward Island ferry. This was one of the conditions of confederation. Upon this principle, the government will meet the operating expenses and the deficit, if any, in connection with the Sydney-Port aux Basques ferry service.

Perhaps, honourable senators, I should apologize for having covered this bill so fully. It is my first attempt to explain a measure of this kind and of such importance. I felt that I should endeavour to place the facts on record so that those who so wish will have the opportunity of studying the reasons which I have placed before them as the outcome of rather a prolonged examination since last evening, when the leader of the government (Hon. Mr. Robertson) suggested that I should deal with this matter.

In closing, I would point out that the bill has four main purposes:

First, to release the Canadian National Railway Company from certain claims of Her Majesty the Queen in exchange for preferred stock of the company.

Second, to release the Canadian National Railway Company from certain other claims by Her Majesty in exchange for an obligation of the company, in respect of which interest shall not be payable for a period of ten years, commencing January 1, 1952.

Third, to from time to time purchase, out of the Consolidated Revenue Fund, additional preferred stock of the Canadian National Railway Company to provide a portion of the money required for additions and betterments of the Canadian National Railway system.

Fourth, to transfer to the Canadian National Railway Company all the shares of the Canadian National Railway securities trust that are held by the minister in exchange for no par value shares of the Canadian National Railway Company.

Hon. Mr. McDonald: Does the honourable senator know what the president of the company, Mr. Donald Gordon, has to say about these changes? This important bill should be carefully considered in committee, and perhaps Mr. Gordon should be present at the hearings of the committee.

Hon. Mr. Isnor: I understand that the leader (Hon. Mr. Robertson) intends to refer this bill to the Standing Committee on Transport and Communications. As to the honourable senator's question, I believe I have read somewhere that Mr. Gordon has definitely approved of the general provisions of the bill and the reconstruction of the capital structure of the company. I further understand, though I have no authority for saying so, that the privately-owned Canadian Pacific Railway Company is not altogether opposed to the action contemplated under this bill. One will be able to make a more intelligent appraisal of the financial operations of the two railway statements when the reports are presented at the end of the year. I think I can safely say that the president of the Canadian National Railways approves of this measure.

Hon. R. B. Horner: Honourable senators, having had some little experience about twenty years ago with the Canadian National Railway, I should like to make a few remarks at this time. The capital structure of the Canadian National Railway Company was revised in 1937, and every time we have made such a revision it seems that we are taking money out of one pocket and putting it into another. I am convinced that we should have paid far more attention to what was once said in the House of Commons by the late Viscount Bennett, when, as a private member he spoke for six hours in opposition to the policy of his own party on this railway question. Mr. Bennett—he was not then a viscount—was a keen businessman, but he was in the awkward position at that time of being counsel for the C.P.R. and a director of a bank which was a competitor of another bank that was greatly interested in the old Canadian Northern. I recall how he urged that these railways be allowed to go into the hands of the receiver. Had this been done we would not have had these revaluations and so on, and a certain bank would have failed, and a family which left millions of dollars would have been rendered destitute. Mr. Bennett pointed out that 75 per cent of all railways in the United States had fallen into the hands of receivers.

It always strikes me as strange that those who criticize the socialist government of one of our provinces are always the first to wax eloquent over the Canadian National Railway system, which is certainly rampant with socialism.

The people of Canada have paid dearly for the operation of this company, and in the past we have been unfortunate in the choice of men who have headed this business. It would probably serve no useful purpose for me to give proof of what I say. Perhaps it is sufficient to say that certain bronze tablets which I see in railway stations across Canada are enough to make me travel on the C.P.R. The taxpayers of Canada were particularly unfortunate when a certain president of the C.N.R. went to New York and, without authority from Ottawa, borrowed money for the company. Although the men who loaned this money were actually Canadians, they had the option of receiving repayment in American funds. We found ourselves in the position of having to operate a railroad at a time when our money was at a discount of 18 per cent in the United States, and of having to pay 12 per cent interest instead of 6 per cent on the money that had been borrowed. In one year the excess interest alone amounted to $5 million.

The operation and management of a railroad is a most difficult business. I do not know of any other industry where absolute co-operation between management and labour is so necessary. I have had considerable experience in shipping cattle by rail, and I know something of the dissatisfaction among the railway employees because of the men who were running the company.

I do not want to say anything which would detract from the reputation of the fine man who is presently at the head of the C.N.R., but I think I can say without fear of contradiction that he would be getting a lot more co-operation from the railway employees throughout the system had he come up from their ranks. I think the railway company would be better off if it were to choose as its president a man of lesser stature, perhaps, but who came from the ranks. He would receive far more support from the men throughout the entire system. They always have the feeling that no matter how faithfully they serve throughout the years they will be overlooked when a man is being chosen for the top job in the system. I think this is one objectionable feature in the way the company has been handled.

It is true that Mr. Vaughan, a former president of the company, had served the company for some years; but I will say quite frankly that his experience was of a political nature. He was a purchasing agent for the company, and in his work he showed a strong political bias. During the period between 1930 and 1935 the price offered by the railway for ties was reduced to 50 cents. He purposely worked it so that one class of people in Canada—the Conservatives, if you will—would sell nothing; or, if they made a sale, would do so at a loss. Immediately after the change of government the price of ties was increased to 75 cents and $1. Before his appointment as president he had no practical railway experience. His experience while he worked in the purchasing department was principally political: he made purchases only where they would serve the best interests of the Liberal party.

Honourable senators, that is all I wish to say at present.

Hon. Mr. Reid: May I ask a question of the senator who explained the bill (Hon. Mr. Isnor)? In looking over the stocks that are being transferred to the government, I notice that the rate of interest runs from 2½ to 3½ per cent. My question is this: Why is the government going to pay 4 per cent?

Hon. Mr. Isnor: I think if my honourable friend will follow the statement showing the funded debt and also the outstanding loans to the public and to the government, he will find that the rates of interest vary. The interest paid last year on loans by the government amounted to more than $23 million, and the average rate of interest was 2·97 per cent. The interest of 4 per cent mentioned is, I think, the rate on the preferred stock.

Hon. A. W. Roebuck: Honourable senators, I have listened with a very great deal of interest to the fine address delivered by the senator from Halifax-Dartmouth (Hon. Mr. Isnor), and I wish to express my appreciation to him. The burning of midnight oil is very evident in the information he has conveyed.

I have only a brief comment to make. First of all I should like to refer to a remark made by the senator from Blaine Lake (Hon. Mr. Horner), if he will permit me to do so. He mentions the public ownership of the Canadian National Railways as a socialistic enterprise, and the revision of its capital structure as another illustration of the failure of socialism. Well, I am not taking up the cudgels at all in defence of socialism. I look upon myself as being the very antithesis of a socialist, but I do not think that the public ownership and operation of a great public service, such as a railroad, is socialism. At all events, it is not my idea of socialism. It is a public service operated by a public body, the government of Canada. As to the point that the Canadian National is an illustration of the failure of socialism, if socialism it be—and that depends on the definition of the term—let me remind the house that the grand figures of the railroad's

indebtedness with which the senator has been dealing are the result, not of socialism at all, but of the inefficiency and graft of private enterprise, which operated a number of the railroads that were later consolidated into the present system.

Hon. Mr. Horner: I was not complaining of socialism, but of the fact that the railroads were taken over by the government instead of being allowed to fall into the hands of receivers.

Hon. Mr. Roebuck: I agree with that sentiment. Arguments can be made on both sides of the question, but I think it would have been much better had we allowed those privately owned and operated railroads to go through the wringer.

Hon. Mr. Horner: Other concerns were going through the wringer.

Hon. Mr. Roebuck: Yes, in the United States and other countries. The private investor took his chance on the success or failure of the company in which he invested. If these railroads had been a success the public would not have been invited to take them over and share in that success; and I see no reason why, when the companies failed, the public should have amalgamated them into one big system and underwritten their obligations.

However, all that is a thing of the past. We assumed the indebtedness, and we must pay it. In all probability the financial rearrangement which has been described to us so clearly is good in the main. It will place this railroad of ours in a position to hold up its head and to show that it is an operating success, not an operating failure. I think also that the efforts, the public spirited efforts made by the management of the road, will be encouraged by this rearrangement, and I am all for it.

It seems to me that the senator from Blaine lake (Hon. Mr. Horner) was a little hard on a former president of the railroad.

Hon. Mr. Horner: No.

Hon. Mr. Roebuck: Well, perhaps we can differ on that. When one looks over the record of a man in high position who has dealt with difficult problems, one can condemn, on the one hand, or praise, on the other. I like to look upon the virtues of that particular individual and realize that he rendered an immense service to the Dominion of Canada.

I should like to say a word about the present president of the Canadian National Railways. He proved himself a very wise, capable, industrious and public spirited servant when he was here in Ottawa during the war. In those years we had him under the closest observation. I myself have appeared before him in a formal way—and informally as well—and found him to be capable and quick of grasp, and very ready to be helpful. I do hope he will be successful in the future, as I think he has been in the past. If I were prognosticating, I should say that when his term of office finally ends Donald Gordon will leave a name outstanding in the industrial history of Canada.

Hon. John T. Haig: Honourable senators, I do not intend to speak very long. At the beginning of this session the press report of the legislative program announced that the government was going to relieve the Canadian National Railways of a burden of $723 million, as though you could just write off that amount of debt. I asked my honourable friend a question about this, but he did not answer it.

What we are doing here is not writing off $723 million, but simply transferring that load from the shoulders of the Canadian National Railways and its bondholders to the shoulders of the Canadian taxpayers. In 1937—I recall, incidentally, that I was sitting on the other side of the chamber then, because there was no room for me on this side—we made the first revision of the finances of the Canadian National Railways by writing off obligations amounting to more than one billion dollars. When the bill was in committee I asked if those were the last of the railway debts that would have to be written off. I was assured at that time that the final goal had been reached, and that in future the rail enterprise would be able to compete successfully with the Canadian Pacific Railway. But now we are asked to vote $736 million, with no interest being paid for ten years on a debt of $100 million. What do we get in return? We are told that we are to be given preferred stock. Well, what good is preferred stock in a bankrupt institution?

I would wholeheartedly support this legislation if I had any assurance that this write-off would be the last, and that we would not have to continue pouring millions and millions of dollars into this institution.

Let me give you a little history of this railway system. In the session of 1936, the new government of the day, brought in a bill to do away with the commission under which the Canadian National Railway had been operated, and to put it under political control. Up to that time the railway had been going behind about $50 million a year, and that was before the billion dollars had been written off. It was apparent to me that a political administration would not be as efficient as a commission, because, being

human, it was bound to be influenced by political considerations. For instance, if a man felt that he was *persona non grata* with the Conservative party, it would be only natural for him to cater to the Liberals. In that year the standing in this house was, I think, 63 Conservatives to 33 Liberals. In spite of that majority, we voted in favour of the bill because we thought that the new government had a mandate from the people to deal with the railway question. The railway was placed under political control, and the events of succeeding years show the sad results. Deficits continued year after year; and it was not until the war years, when the government was required to spend millions of dollars for transportation costs back and forth across Canada, that the railway showed any efficiency from a financial standpoint.

I am sure that 95 per cent of the people of Canada are anxious that the Canadian National Railways be placed on a sound business basis in competition with other forms of transportation, and that it pay its own way. I am not in a position to know whether the bill before us is any solution to the problem. Certainly, it contains no promise that it will be the last of its kind.

I was only a junior senator in this house when the railway question was considered in 1936, and I was pretty well pushed around. The proposal was that a billion dollars be written off. But it was not really a write-off; it was merely a transfer of the obligations of the Canadian National Railways to the people of Canada. I asked whether this would be the last of such financial manoeuvres, and I was told by some glib speakers that it was the end. They said that the Canadian National was being put on a basis to compete with the Canadian Pacific, and it would show that big corporation, operated by private interests, just how a railway should be run.

But what happened? Over the past twenty years things have gone so badly that when the Board of Transport Commissioners has to do with the fixing of freight rates, it does not take any thought of the operations of the Canadian National but fixes the rates on the basis of the operations of the Canadian Pacific. I of course admit that the people of Canada gave the Canadian Pacific a grant of $25 million and some 25 million acres of land which, unless a railway were built, was not worth 25 cents.

But let us forget all about that early history. The point now is that we must make a final settlement with the Canadian National Railway. From now on it has to stand on its own feet; it has to sink or swim.

I would point out to my friend from Blaine Lake (Hon. Mr. Horner) that all the debt of the Canadian National was not caused by the operations of the Canadian Northern; millions were lost on the Grand Trunk Pacific, and as much more was lost on the National transcontinental. I recall as a student watching the campaign which took place back in 1904. I wondered at that time how a railway could be run to successfully compete with the facilities already in existence. The results were absolutely inevitable.

These are things which we as Canadians, and especially those of us from the West, remember. You people from Ontario and Quebec have water and truck competition; we in the West do not. Therefore, we must pay the larger share of the freight costs on both railways. You people from the Maritimes have water transport and a guaranteed agreement as to freight rates. You can be charged only so much, and the balance is made up by the rest of Canada. We in the West have no such guarantee; we pay the whole shot ourselves. I got the shock of my life last session when I saw how the senators from the Maritimes stood together on the question of frieght rates. Certainly, there is no equalization of rates in the Maritimes.

We in the West feel very keenly about this railway question. We want the men and women who run the Canadian National to have the same chance to make a success of their undertaking as have the men and women who run the Canadian Pacific. We want some assurance that the management of the Canadian National will not always be returning to parliament to get more money.

I cannot see that the passage of this bill will be any solution to our problem. I repeat that in 1936 we were assured that the action then taken would clean up the whole system, and that from then on the railway would stand on its own feet. Today, we have no promise at all that the passage of this bill will be a final disposition of the matter. According to press reports it would appear that we are being asked to write off the debt in the same way that a private individual in business might decide to write off an uncollectable debt. But we are not doing that at all; we are just transferring the debt to the taxpayers of this country.

I enjoyed the speech of my friend from Halifax-Dartmouth (Hon. Mr. Isnor). He told us a very nice story about the Minister of Transport and the head of the Canadian National Railways; and he gave high praise to many others. But he never told us this was a final settlement of the railway account.

Hon. Mr. Roebuck: How could he?

Hon. Mr. Haig: This bill should be the final disposition of it. If I were going into

a private venture I would want to know when certain obligations were going to end.

Hon. Mr. Roebuck: Were you given any such promise in 1937, when the billion dollars was written off?

Hon. Mr. Haig: We were given to understand that that was the clean-up.

Hon. Mr. Roebuck: What good is that kind of understanding?

Hon. Mr. Robertson: Who gave you that understanding?

Hon. Mr. Haig: We were given to believe that the railway from then on would pay its own way.

Hon. Mr. Robertson: By whom?

Hon. Mr. Haig: I do not remember the names of the speakers; members of the government, I assume. It was my first session. But I know the understanding was that the billion dollar write-off would mark the end; that afterwards the road would pay its obligations.

Hon. Mr. Roebuck: Is the railroad not paying, and has it not for the last number of years paid, an operating profit under its management?

Hon. Mr. Haig: Paying an operating profit? My friend, who is going to pay for the cost of the road? Surely, if I operate a railroad I must earn interest on the money actually invested in the road. The question is silly; it is the sort of question that one sees in the press and hears repeated on public platforms. The C.N.R. take in so many millions, they spend so many millions, and sometimes, on that basis of operations, they can report that they have made a profit. But they do not pay anything on the cost of the road. If I am running a business and take in $1,000 and my expense for payment of employees is $980, can I truly say that there is a profit of $20, when I have paid neither rent nor light nor taxes? That is substantially the situation here. Since this railroad started operations in 1923 it never paid the total cost of operation until, three or four years ago, it was granted an increase of rates.

Hon. Mr. Howden: Is the honourable gentleman sure of that?

Hon. Mr. Haig: Yes. The figures show it.

Hon. Mr. Roebuck: Not according to the auditors.

Hon. Mr. Haig: Oh, yes.

Hon. Mr. Roebuck: There has been an operating profit the last few years.

Hon. Mr. Haig: A good part of the company's bonds were bought by the government. The losses do not include the amount unpaid on those bonds. All that is included in the reported losses was the portion of the interest owed to the public. It is this kind of thing which makes me uneasy about the whole basis of the financial arrangements.

Hon. Mr. Roebuck: I would like to ask the honourable gentleman another question, but I do not want to harass him.

Hon. Mr. Haig: You will not harass me a bit.

Hon. Mr. Roebuck: I know he can take care of himself. I understand him to object to a shifting of this burden from the Canadian National Railways to the taxpayer. Is it not a fact that the shift is from the users or customers of the road, the men in whom he is chiefly interested and for whom he has been speaking, to the taxpayers?

Hon. Mr. Haig: No, no.

Hon. Mr. Roebuck: Why not?

Hon. Mr. Haig: The customers of the road, for instance we people in the West who ship our grain and cattle and hogs over the Canadian National railways, pay exactly the same rates as are charged by the Canadian Pacific Railway, because the Board of Transport Commissioners fixes the rates at a figure at which the Canadian Pacific Railway is able to operate and make a reasonable profit. That is the basis of all the adjudications. What the Board have said, in effect, is "We do not have regard to the C.N.R. at all. what we do is to consider the position of the Canadian Pacific Railway, what their operations cost them, and how much they need to pay their debts and provide for a reasonable dividend on the capital invested in the road." That is all. It makes no difference to me whether I ship my wheat by the C.P.R. or the C.N.R. Suppose that to enable the C.P.R. to pay its way a rate of 40 cents per bushel is required for the transportation of wheat from Blaine Lake to Fort William or to Vancouver; the board in assessing the rate inquires what it costs the Canadian Pacific Railway to move wheat that distance. That is how the rate is determined.

I do not suppose that anyone in Canada has a greater desire than I have that the Canadian National Railways be put on a basis that is final, a basis upon which those responsible for the railway's operation will feel, "We can expect no more; we have got to make a go of this". But today at the back of the head of every Canadian National official there must exist the same feeling which certainly existed in 1937, "If we can't make the system pay we can go back to the government and get a bit more". It is very

hard for the government to resist the demands of the Canadian National Railways because the men and women right across Canada who work for it have votes; and—make no mistake about it—they vote for the side which they think they can force to give them consideration. That has been our experience in certain districts of Winnipeg where some railway men will always vote against our party, because, they say, we favour the C.P.R. As I have said, this kind of thing makes me uneasy. We must be prepared to resist such demands on the public purse. I venture to predict that at the next general election supporters of the government will be going up and down the country, especially in districts where the Canadian National vote is an important factor, telling of what they have done for that railroad. "In 1937", they will say, "we wrote off a billion dollars: now, in 1952, we have written off another $743 million; and, fellows, if you stick with us, in a year or two we will write off another $500 million."

Hon. Mr. Lambert: Has the honourable senator any recollection of a vote of $30 million which was put through the Parliament of Canada for the Bank of Commerce, to relieve it from the pressure which Mackenzie and Mann were putting on the bank at the time? It occurred, I might say, in 1916, during the administration of Sir Robert Borden and the Right Honourable Arthur Meighen.

Hon. Mr. Haig: I do not question that statement. The government of the day decided that those to whom the debt was owing should be paid. That was their judgment. That does not alter my opinion at all. The principle is wrong.

Hon. Mr. Lambert: My reason for asking the question was that my honourable friend is assuming that all the indebtedness of the Canadian National Railway originated with that railway. In fact, it originated with the Canadian Northern, the Grand Trunk and all the other parties to the amalgamation which my honourable friend's predecessors brought into being.

Hon. Mr. Haig: May I put in my own language what the honourable member has said. He asserts that in 1916 a Conservative government voted $30 million. All I have to say about that is that the Conservatives of the time were a "bunch of pikers", because the Liberals in 1937 voted a billion dollars, and now, in 1952, they are voting another $743 million.

Hon. Mr. Lambert: They did not vote it to a bank.

Hon. Mr. Haig: But the honourable senator from Ottawa (Hon. Mr. Lambert) asserts that our party voted $30 million in 1916, and he asks me what I think of men who would do such a thing. I repeat that I think they were a "bunch of pikers" compared with a Liberal administration which fifteen years ago voted a billion dollars and is now ready to vote another $743 million. In the light of those transactions, had I been in the place of those poor old Conservatives I might have done more.

Hon. Mr. Farris: My friend must remember that his party never had an opportunity to vote any more money.

Hon. Mr. Haig: Oh, yes, it had—from 1930 to 1935. If it had not been in power at that time I would not have been here; I would have been kicking my heels around Winnipeg, trying to earn a dollar or two.

But I return to my main point. I want the responsible authorities to tell us that "This is the last throw; this is the last time the taxpayers of Canada will have to come to the assistance of the Canadian National or any other railway". I want to know whether they are ready to give that definite assurance. But I have no doubt that my honourable friends cannot give any such undertaking; they do not know what will happen five years from now. Perhaps they will come back at that time and ask for another $700 million. But if I am here when the Conservatives return to power, and if, in pursuance of the policy which is now commended to us, they do not offer a larger contribution than $30 million, I shall be tempted to cross to the opposition benches, because, I say again, they would certainly be a mere "bunch of pikers".

I will vote for the bill as far as it goes, but I maintain that it does not answer the question in my mind: Will this be the end?

Hon. Vincent Dupuis: Honourable senators, in rising to say a few words in this debate I want to congratulate the honourable gentleman who sponsored this bill (Hon. Mr. Isnor). Our honourable colleague from Halifax-Dartmouth did exceedingly well, notwithstanding some of the sarcasm thrown his way by certain members in this chamber. The honourable gentleman from Blaine Lake (Hon. Mr. Horner) claimed that the administration of the C.N.R. was a good example of socialism. If this is true, then the father of socialism in this country was the Right Honourable Arthur Meighen.

The very able and intelligent leader of the opposition (Hon. Mr. Haig) claimed that the administration of the C.N.R. had been a complete failure, and that he would like some responsible member of the government

to assure him that no more deficits will be suffered by the company. He reminds me of a father who spoils his child by giving him too much money to spend, and then suddenly says, "Well, that is the last time you'll get any money from me, my boy. You needn't ask me for any more money because you won't get it". I have never seen a father who has been able to keep such a promise, and I am sure the honourable gentleman from Winnipeg has not either.

If the administration of the Canadian National Railways has been a failure, it is due to the actions of the Union Government, whose leader was the Right Honourable Arthur Meighen. I remember when my predecessor in the other house, Roch Lanctot, M.P., for Laprairie-Napierville, advised Mr. Meighen to sell the C.N.R. for one dollar. He said that it would pay the country to do this, and he predicted that the amalgamation of various railways under the control of the Canadian government would prove costly. If the administration of the C.N.R. has been a failure, as my friends opposite would have us believe, then the Right Honourable Arthur Meighen should have taken Mr. Lanctot's advice.

Our friends on the other side of the house claim that the Canadian Pacific Railway Company has done well as a privately-owned business, and that the Canadian National Railway Company has proved a failure because it is publicly-owned. One would conclude from their remarks that it is inadvisable to place a big undertaking like the operation of the C.N.R. under the care of the government. But let me point out this fact. If my memory serves me well, the Right Honourable R. B. Bennett had a bill put through the other place in 1933 or 1934 to lend $60 million to the privately-owned C.P.R.

Hon. Mr. Haig: Was that money paid back?

Hon. Mr. Dupuis: I do not think so.

Hon. Mr. Haig: Oh, yes, it was.

Hon. Mr. Dupuis: If it was paid back it does not appear any more than does the money which was loaned to the provinces during the period of unemployment in the thirties. I bring out this point to show that even a company like the C.P.R. has found it necessary to borrow money in order to stay in business. We must not forget that the C.N.R. gives its users all across Canada many advantages in the way of freight rates, and so on. For instance, nobody objected when the Crow's Nest Pass rates were granted some years ago. As a publicly-owned company, the C.N.R. is being requested every day to grant privileges to some part of the country. I am not on my feet to defend the C.N.R. or the system of public ownership, but I believe that the leader of the opposition (Hon. Mr. Haig) and his colleague from Blaine Lake (Hon. Mr. Horner) have been ill-advised to speak as they have in connection with the measure now before the house.

Some Hon. Senators: Hear, hear.

Hon. Wishart McL. Robertson: Honourable senators, I cannot add anything to what my distinguished colleague, the sponsor of this measure (Hon. Mr. Isnor), has said about this legislation, but I rather gathered the leader of the opposition (Hon. Mr. Haig) was addressing his remraks to me when he was demanding some assurance that the capital structure of the C.N.R. would not be revised again. If he was, I can assure him that he will get no such assurance from me. I do not know what happened in 1937, but if somebody was silly enough to give him some assurance then, it is no reason why in the world I should be silly enough to do so now.

Some Hon. Senators: Hear, hear.

Hon. J. P. Howden: Honourable senators, I have listened with interest to the debate on this measure. I should like to congratulate the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor) on the excellent manner in which he has handled this bill. I should like to be able to congratulate some of the other speakers as well, but the trouble is I do not believe what they have said.

Some Hon. Senators: Oh, oh.

Hon. Mr. Howden: As a former chairman of the House of Commons Committee on Railways and Shipping, I gained some knowledge of this subject, and I think that once and for all we should straighten out our understanding of this railway business.

To begin with, the government of Canada built the Canadian Pacific Railway and advanced the company $75 million—not $25 million. Furthermore, the government practically built the Crowsnest Pass, and gave the Canadian Pacific another $75 million.

Hon. Mr. Aseltine: $25 million.

Hon. Mr. Howden: Sir William Mackenzie started then with his partner, Sir Donald Mann, to build the Canadian Northern Railway. Sir William probably borrowed money where he had to, but eventually he found it necessary to have very heavy obligations underwritten by the government of Canada. There is no doubt about that. Then, in 1904, Sir Wilfrid Laurier came along with his proposal for a transcontinental railway. That may have been a political dodge; I do not know. I always was a supporter of Sir Wilfrid Laurier, but I am quite satisfied to admit that I believe that the railway was a

booster for the Liberal party at the time. If I remember rightly, the Grand Trunk Railway, which already owed substantial amounts to the government for guaranteed bonds and things of that kind, offered to make a deal with Sir Wilfrid, whereby the government would build for the Grand Trunk a railway to be known as the Grand Trunk Pacific, running from Redditt, about 130 miles this side of Winnipeg, out to the Pacific Coast. The cost of construction was to be lent to the Grand Trunk, which was to take over the new road, when completed, and operate it. Sir Wilfrid also agreed to build the National Transcontinental, from Redditt to Quebec, as a publicly owned road, and it and the Grand Trunk Pacific were to be operated as one line by the Grand Trunk. But by the time the Grand Trunk Pacific was completed, the Grand Trunk Railway itself was defunct, and it never operated the new line for a single day. The Government of Canada also paid for the Intercolonial Railway in the Maritime Provinces. The liabilities of all these railroads were underwritten by the government, and if the companies had gone into receivership in 1923 the government would still have had to pay the tremendous amount of the debts, for which it was liable in any event, and would have had nothing to show for it.

The Right Honourable Arthur Meighen is called the father of the Canadian National Railways. He is given credit for having figured out the amalgamation proposal and brought the deal to a head, and I believe he does deserve credit for that. It was no small job. But the Canadian National system, composed of these amalgamated railroads, could not begin to show a profit over operating expenses if it had to pay interest on the tremendous funded debt that it had inherited when it started off. The interest on this debt has been piling up throughout the years and is still growing.

What is the use now of fighting over all these things? What is the use of discussing at this date what we are going to do with the National Transcontinental? The blame for what happened cannot be placed on the shoulders of any one person.

A first-class railroadman, Sir Henry Thornton, was engaged to operate the Canadian National Railways system and he did a good job: he made a railroad of it. Speaking generally, everybody was pleased with the Canadian National, and still is. Of course, there is room for some improvements. Riding over the road, as I do, I recognize this. But I suppose the same thing could be said of any railroad.

While a member of the other house I was for five years chairman of a committee which investigated the business of the publicly owned railroads, and I want to point out that one year the Canadian National did show an operating profit of $75 million. It is true that some fifteen or twenty or thirty million dollars had to be voted to the road for betterments in the way of rolling stock needed next year, but certainly there was no doubt of the earning of $75 million. And in four or five other years it made money; and one year it broke about even.

What is the use of fighting about this road now? It belongs to Canada, and we cannot allow it to go into the hands of receivers. We have to pay our obligations. Let us do all we can to help the company operate successfully. It seems to me that the proposal made in this bill is a good one, and that it should be accepted.

That is all I have to say on the matter, honourable senators. I think it is a lot nearer the truth than what we were given to understand a while ago.

Hon. A. L. Beaubien: Honourable senators, I wish to say just a word or two. This debate has brought things back to my mind. The senator from Blaine lake (Hon. Mr. Horner) has refreshed my memory of many happenings in the years from 1930 to 1935, but I am sorry that he has brought politics into his remarks.

Hon. Mr. Horner: That is too bad. This is a purely political matter that we are talking about.

Hon. Mr. Beaubien: But I was greatly interested in his remark that an establishment like the Canadian National Railways cannot be run efficiently without the co-operation of the employees of the company.

Hon. Mr. Haig: That is correct.

Hon. Mr. Beaubien: I agree with that. However, I happened to be a member of the Railway Committee of the House of Commons from 1930 to 1935, when the honourable senator's friends were in office, and I know that they did everything within their power to crucify the then president of the company, Sir Henry Thornton, who had the co-operation of every member of the staff.

Hon. Mr. Horner: They did not. I know better than that.

Hon. Mr. Beaubien: My honourable friend will know this, that employees of the Canadian National still pay homage to Sir Henry Thornton. At least once a year they assemble before plaques that are erected in

practically every station along the line and have a ceremony in honour of his memory.

Hon. Mr. Horner: It would take a couple of days to tell you about some things.

Hon. Mr. Beaubien: My honourable friend also said something about the sale of railroad ties. In England, I think, they are called sleepers.

Hon. Mr. Horner: "Ties" is the word.

Hon. Mr. Beaubien: As I understood him, he said that when the Liberals were in office the Canadian National would not buy ties without first making sure that the person who offered them for sale was a Grit. Well, honourable members, between 1930 and 1935 a student trying to earn enough money to pay his way through university could not get a summer's work on the Canadian National unless he was approved by the hierarchy of the Conservative Party.

Hon. Mr. Horner: Nonsense!

Hon. Mr. Beaubien: I speak from personal knowledge, for on one occasion I tried to get a university student a job with the railway in order to finance himself through the remainder of his studies. To reach the heirarchy of the Conservative party at that time was like trying to get from earth to heaven. So my honourable friend would be well advised to refrain from mentioning the need for co-operation in the running of an institution like the Canadian National Railways, when his own friends did everything they could to crucify the man who brought about co-operation and made the railway work.

Hon. Mr. Horner: They did not.

Hon. Mr. Isnor: Honourable senators, if I may be permitted to make one or two comments to clear up some misunderstanding, I promise not to enter into any political controversy. Politics would be the last thing to enter my mind in this connection.

Hon. Mr. Haig: Yes; we are sure of that.

Hon. Mr. Isnor: My honourable friend's retort suggests that he has some doubt about the seriousness of my remark.

The honourable leader opposite referred to the matter of the yardstick used by the Board of Transport Commissioners for the measurement of rates. I would point out that the reason the C.P.R. is used in this way is that it presents a comparable financial picture along lines which are satisfactory to the Board and have proved to be sound. With the reconstruction of our financial position in respect of the Canadian National Railways I hope that the balance sheet will be along similar lines, and will clearly reflect the true picture of the rail operations. In that way the Board of Transport Commissioners, and the public as well, will be able to place the two pictures side by side and judge the efficiency and earning capacity of the two systems.

I think there was some unintentional misunderstanding as to certain figures I gave. I would point out that during the period 1941-45 the Canadian National Railways turned over to the Government of Canada $113 million.

Hon. Mr. Haig: But they did not pay interest on the government's debt.

Hon. Mr. Isnor: That was the net amount turned over to the Canadian Government.

Hon. Mr. Haig: But that did not pay the interest on the outstanding debt owing to the government.

Hon. Mr. Lambert: Yes, it included interest on the debt.

Hon. Mr. Isnor: We have placed before us each year a balance sheet showing the interest paid and so on. The honourable member from St. Boniface (Hon. Mr. Howden) said that the railway has earned certain amounts. In the period which I mentioned, 1941-45, $113 million was turned over to the government by the railway.

Hon. Mr. Howden: I said that $75 million was earned in a particular year, and that this would pay the interest on the bonds; however, it left the railway system short $30 million for replacements which it needed for the following year, and this amount had to be voted by parliament.

Hon. Mr. Isnor: Yes; that is for additions and betterments. But the figures which I am now putting on the record give, I believe, the true picture.

Hon. Mr. Haig: But did the $113 million include interest on the debt to the government for advances previously made to the railway?

Hon. Mr. Isnor: I do not think they paid interest on the $1,200 million odd. In this connection I was pleased to hear my friend use the word "transfer", for that action will not affect the assets of the Government of Canada. Our position as disclosed by the public accounts will be the same, as between assets and liabilities, after the transfer has taken place. It does, however, relieve the Canadian National Railways of the interest charge of about $23 million. The securities which are given in exchange for government loans are shown as an active asset in the balance sheet of Canada. The trust securities are presently carried in the public accounts as non-active assets of the Canadian National Railways and stock received in the transfer will likewise be shown as a non-active asset.

I would not attempt to set up the Canadian Pacific as an example, and analyse its financial statement; however, I feel that by looking at the reports of the two companies it immediately becomes obvious that the Canadian Pacific has a great advantage over the government-owned railway by reason of the large revenue derived from the operations of the Consolidated Mining and Smelting Company.

Hon. Mr. Roebuck: Did the Canadian National Railway, when it was organized, receive a land grant from the Crown, as did the Canadian Pacific?

Hon. Mr. Isnor: I am not fully prepared to answer all such questions, but I would be inclined to say that both railways received benefits.

Hon. Mr. Roebuck: But the C.N.R. did not get land grants.

Hon. Mr. Isnor: Certainly not to the same extent as the C.P.R.?

Hon. Mr. Haig: They received money from our province.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Honourable senators, this bill would properly be referred to the Standing Committee on Transport and Communications, and the bill about to be explained by the senator from New Westminster (Hon. Mr. Reid) would normally go to the Standing Committee on Immigration and Labour, but as the Standing Committee on Banking and Commerce is the active committee of the house at this stage of the session, honourable senators might agree to allow this measure to go before that committee.

If there is no objection, I would move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

UNEMPLOYMENT INSURANCE BILL

SECOND READING

Hon. Thomas Reid moved second reading of Bill 322, an Act to amend the Unemployment Insurance Act, 1940.

He said: Honourable senators, I am pleased to have the opportunity of explaining this bill, because I had the privilege, back in 1940, of being a member of the committee which considered the original Act.

May I preface my brief remarks by a few words about the Unemployment Insurance Act? It is one of the most important pieces of social legislation on the statutes, and fulfils a most necessary and important function in the economy of the country. The Act was assented to on August 7, 1940, and since that time it has operated throughout a period of comparative prosperity. Even under these conditions, the payments from the fund, as of March 31 last, totalled $458 million.

The fund is built up from contributions by employers and employees, the government adding one-fifth to the total amount collected. Even after large withdrawals, the fund at May 31 had accumulated a balance of something over $789 million, which is a substantial insurance against payments which might have to be made under less favourable conditions.

In view of criticisms which have been made with regard to the size of the fund, it seems quite appropriate to point out, in the first place, that this money is invested in government bonds, from which last year $19 million was received in interest. Receipts and total revenue to the end of May of this year totalled $203,782,503, and this year to date well over $90 million has been paid out. There is a balance in the fund of some $778 million. Claims on the fund amount to only $200 per person, or the equivalent of ten weeks' payments of $20. Insured persons number 2,915,000, and non-insured 934,000.

It should be noted that the Unemployment Insurance Commission performs a splendid service apart from receipts and payments in respect of unemployment insurance. It handles placements, provides positions, and makes contacts between unemployed persons and employers in need of help.

I come now to the bill itself. It contains some twenty amendments to the Unemployment Insurance Act, of which five are of major importance, the remainder being more of an administrative nature.

The most important amendment raises unemployent insurance benefits without increasing the contributions. The maximum benefit for a person with a dependent is now $21 per week. This will be increased to $24 per week. On a daily basis, the increase is from $3.50 to $4. The other classes of benefit, except the two lower classes, will show comparable increases. In the two lower classes the relationship between the benefit and the minimum wage in the class is considered to be now as high as is possible without resulting in over-insurance.

The second major amendment reduces the waiting period by three days. At the present time, at the beginning of each benefit year

there is a waiting period of eight days. The bill provides that this period shall be reduced to five days. In addition to the waiting period there is at the beginning of each period of unemployment what is known as "one non-compensable day", and the effect of the amendment is that no benefits will be paid for the first week after a person files a claim rather than, at present, for the first nine days.

There is also a provision which will permit the commission by regulation to defer this waiting period where it occurs during a period of unemployment. When a person becomes unemployed and makes a claim for benefit, what is known as "a benefit year" is set up, and it quite often happens that these benefit years terminate while a person is unemployed and the claimant is able to qualify immediately for a second benefit year. Under the present Act, he would receive no benefit for the first nine days of the second benefit year, even though he might have been unemployed for some considerable time. The new provision will permit the commission to postpone this waiting period, so that it will not fall quite so heavily on the claimant when he can least afford to be without benefit.

The fourth major amendment has to do with supplementary benefits. It will be remembered that in February of 1950 the Act was amended to give a reduced benefit to certain classes of people who could not qualify for the regular benefit. These supplementary benefits are at the present time payable during the period from January 1 to March 31, when unemployment is usually at its highest peak of the year. The amendment will extend this period to April 15.

These four amendments which affect the Unemployment Insurance Fund have been recommended by the commission and by the Unemployment Insurance Advisory Committee. The committee, as honourable senators know, is composed of representatives of management and labour, so I think it is fair to say that these amendments are made with the approval of the major national labour bodies as well as of representatives of those concerned with management problems.

The last of the major amendments to which I will refer has to do with the employment service, and gives statutory effect to a practice which has been followed by the employment service for many years. It provides that there will be no discrimination in the selection of applicants for placement because of racial origin, colour, religious belief, or political affiliation. While there are limits, of course, to which the employment service can go, because after all it is performing a voluntary service for both workers and employers, the amendment gives statutory recognition to the principle that there should be no discrimination; and, by reason of the close contacts between the employment officers and industry, it is hoped that the principle can be developed along proper lines.

Other amendments are, as previously stated, more of an administrative nature and make minor adjustments which experience has shown to be necessary. The more important of these are in clauses 8 and 9, which provide a higher minimum penalty for second offenders. There are other amendments which simplify court procedures and reduce the costs of prosecutions.

The bill contains twenty amendments, but I have dealt with the major or salient points, and any further information required can be obtained when the bill goes to the Committee on Banking and Commerce.

Hon. Mr. McLean: The sponsor of the bill mentioned bonds and investments. Are these held at book value or market value?

Hon. Mr. Reid: As far as I know, the investments are in Canadian government bonds bearing interest at 3 per cent. In order not to demoralize the market, when money is required from the fund it is obtained by way of borrowings on the security of the bonds.

Hon. Mr. McLean: I assume that these investments were made some years ago. Recently we have had a policy of higher interest rates, and consequently the value of these bonds has steadily declined. The question I asked was whether the bonds are now shown at their market value or their book value.

Hon. Mr. Aseltine: What was paid for them? Were they bought above par?

Hon. Mr. Reid: I don't know.

Hon. Mr. Aseltine: That is the way most of us bought them.

Hon. Mr. Reid: I can only say that they are government 3 per cent bonds, and I think they are a pretty good investment.

Hon. Mr. Haig: Is it intended to send this bill to committee?

Hon. Mr. Reid: Yes.

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

REFERRED TO COMMITTEE

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

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, June 20, 1952

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

Prayers and routine proceedings.

TREATY OF PEACE (JAPAN) BILL

REPORT OF COMMITTEE

Hon. Mr. Lambert presented the report of the Standing Committee on External Relations on Bill 210, an Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

The report was read by the Clerk Assistant as follows:

The Standing Committee on External Relations, to whom was referred Bill 210, an Act to provide for carrying into effect the Treaty of Peace between Canada and Japan, have in obedience to the order of reference of June 18, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. J. W. de B. Farris presented the report of the Standing Committee on Banking and Commerce on Bill H-8, an Act respecting the Criminal Law.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill H-8, an Act respecting the Criminal Law, have in obedience to the order of reference of May 2, 1952, considered the said bill, and now beg leave to report as follows:

Your committee recommend that the bill be not further proceeded with at the present session.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Farris: With leave, I move that the report be concurred in now.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

PRINTING OF COMMITTEE PROCEEDINGS

Hon. J. W. de B. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters, beg leave to report as follows:

Your committee recommend that they be authorized to print 500 copies in English and 200 copies in French of its proceedings on the said bill, and that Rule 100 be suspended in relation to the said printing.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Farris: With leave, I move that the report be concurred in now.

The motion was agreed to.

IMMIGRATION BILL

NOTICE OF MOTION

Hon. Mr. Robertson: Honourable senators, I beg to give notice that at the next sitting I shall move:

That the Standing Committee on Immigration and Labour be authorized to examine the subject-matter of Bill 105, an Act respecting Immigration, presently before parliament, in advance of such bill reaching the Senate, and that the said committee be authorized to send for persons, papers and records.

Honourable senators, by Monday afternoon I shall have ascertained what progress has been made with this bill and whether a practical purpose would be served by considering it in committee in accordance with the notice which I have given. I shall advise the house at that time.

CANADIAN SHIPS AND SEAMEN

INQUIRY

On the notice of inquiry by Hon. Mr. Duff respecting Canadian ships and seamen:

Hon. Mr. Robertson: Honourable senators, this inquiry has been on the Order Paper for some time. It is a difficult one to answer, but the information will be given as soon as I can possibly obtain it.

NORTHWEST TERRITORIES BILL

SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill 337, an Act respecting the Northwest Territories.

He said: Honourable senators, this bill deals with that vast northern territory which is the land of the midnight sun, a land of long, dreary, cold winters and of sparse population. In the Northwest Territories there is a population of 16,004, of whom roughly 5,000 are white, 4,000 Indians and 6,199 Eskimos.

The economy of the Eskimos, the largest group in the territory, depends principally upon the reindeer. Away back in 1929 the Dominion Government made an agreement with the Alaskan Reindeer Company, whereby the company undertook to trail some three thousand reindeer from their feeding grounds in Alaska through the icy passes in the mountains and over unpopulated territory to the mouth of the Mackenzie River. During that trek the reindeer were preyed upon by wolves and other animals; they had to face the storms of summer and the blizzards of winter, and some of them escaped and found their way back over the mountains, or died in the attempt. But in three years time, by 1935, some 2,370 reindeer had reached their destination at the mouth of the Mackenzie River.

Here preparations had been made for their arrival; corrals had been built, and three families of Laplanders had been imported from Norway to help take care of the animals. Some 6,600 acres of land had been set aside in the delta of the Mackenzie River, and a number of Eskimoes had been trained in the work that was to be done. Thus the people of the area were assured of a livelihood. A rancher from Southern Alberta went north to make suggestions regarding the round-up, the grazing ranges, the care of hides and meat, and ways of protecting the reindeer against predatory animals and poisonous insects.

In spite of the disasters which occurred, by round-up time in 1951, the five herds of reindeer numbered some 8,712, so five or six hundred of the animals could be killed off each year to feed the people.

Honourable senators, just a year ago this house passed an amendment to the Northwest Territories Act, which made provision for a council of eight, three of whom were to be elected. I may say that since that time three constituencies—Mackenzie North, Mackenzie South and Mackenzie West—have been carved out along the Mackenzie river. Three men, Mr. Hardie, Mr. Brodie and Mr. Carmichael, were elected to represent these three constituencies.

It is a matter of some satisfaction that it was a member of this house who suggested that the qualifications for voting should be decided upon not by the small group of the commissioner and council of the Territories, but by the Governor in Council of Canada. By section 9 of the bill before us that suggestion is being implemented. I am sure that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and others will be pleased to note that this suggestion has been adopted.

In that north country the Indians and Eskimos vote at the elections. From conversation with the officials who have the work of the Territories in hand, one can readily see that it is their aim to increase the number of their elected representatives from time to time as the population increases; but for the present time Canada has such a large investment in that area that it is felt there should be some control over the government of the Territories.

The eight members of the council meet twice a year; one session is held in Ottawa and one in the Northwest Territories. Last year one session was held at Yellowknife, with full ceremonial dress and procedure. The people of that district appreciated it very much, and gave the new government a warm welcome. Future sessions may be held at Fort Smith or Hay River, which are two other towns up there.

Each of the three elected members is entitled to $50 for each day that he attends the session, but he is limited to $1,000 a year; and each of the eight members is reimbursed his actual travelling expenses to and from the place where the session is held, but for only one trip each session. Also there is living allowance of $25 for each day during attendance at the session, and this is not regarded as income for purposes of the Income Tax Act.

Because of the setting up of this council, and in view of the great oil exploration that is taking place and the extension of mining and fishing, it is felt that there should be a reorganization of the functions and responsibilities of the council. That is why this consolidation has been made. The bill contains little that is new; in the main it consolidates the amendments which have been made to the Northwest Territories Act since the time of confederation.

Briefly two main things have been done. First, a territorial revenue account has been set up in Ottawa, and will be administered by the minister on the advice of the council. Heretofore the council has had very little revenue, practically all of it being confined to receipts in respect of liquor; but now it will derive revenues from fur exports, game licences, business licences, a direct tax, a gasoline tax, and—if it should see fit to

impose one—a poll tax. In addition, the territories, like some of the provinces, have rented taxation rights to the dominion, and in return they receive about $200,000 by way of a subsidy from the dominion, This, added to $400,000 received from the other sources I have mentioned, will provide a credit of about $600,000.

How will this money be spent? The council will provide for educational expenses throughout this vast territory, for hospitals, for relief, and for certain roads. It is estimated that these and other obligations will absorb $580,000, leaving a small surplus in that particular account. But if the share of the territories in general dominion expenditure for defence, police, and social security is taken into consideration, it will be seen that the dominion is providing about $7,000,000 and receving in return one-tenth of that amount, or about $700,000.

The question of intoxicants has had a good deal of attention. It has been arranged that the executive body, which is the commissioner, shall have full control of the manufacture of intoxicating liquor for the territories, and of its importation from any part of Canada or elsewhere. Indians and Eskimos, of course, are not allowed to purchase liquor.

The one other change of importance is the re-establishment of the territorial courts. Before 1905, in which year the provinces of Saskatchewan and Alberta were created, there were territorial courts in the Northwest Territories. Since then justice has been administered by stipendiary magistrates. It is proposed that the judge of the Yukon shall also be judge of the Northwest Territories, and provision is made for the appointment of deputy judges should this be found necessary.

Provision is made in the bill for the appointment of barristers or advocates as police magistrates in the Northwest Territories. These magistrates will be vested with part of the civil jurisdiction formerly exercised by stipendiary magistrates and justices of the peace.

The bill provides for appeals from the Superior Courts of provinces exercising concurrent jurisdiction. Appeals from districts north of Labrador will go to Quebec courts, and appeals from the districts north of Alberta will go to the Alberta courts. Generally speaking, the administration of justice in the Northwest Territories will be by the territorial courts.

The commissioner is Major General Young, Deputy Minister of Resources and Development, and he is assisted by the Commissioner of the Royal Canadian Mounted Police. The Commissioner in Council is given a good many of the duties carried out by the provincial governments and has power to legislate with regard to roads, reindeer, intoxicants, insane persons, neglected children, hospitals, and so on.

Honourable senators, the real purpose of this legislation is to give greater self-government to the Northwest Territories, so as to make it easier for them to raise their standard of living and add to the well-being and happiness of the people in that distant region.

Some Hon. Senators: Hear, hear.

Hon. W. M. Aseltine: Can the honourable senator who sponsors this bill (Hon. Mr. Gershaw) tell the house how many judges will be appointed?

Hon. Mr. Gershaw: The judge of the Yukon will be also judge of the Northwest Territories. That is the only appointment that will be made for the present time, but provision is made for the appointment of deputy judges if they are required. There will be a number of police magistrates in Fort Smith, Yellow Knife, and various other places throughout the territories.

Hon. Mr. Aseltine: Honourable senators, in May of last year I spoke in favour of a bill to amend the Northwest Territories Act. At that time I was strongly in favour of the action being taken, and I am pleased to note that the bill now before the house is a vast improvement over the former legislation. No doubt this is as a result of the increased population in the Northwest Territories. I did not know that there were as many as 5,000 white settlers in the territories.

I think it is well that territorial courts are being set up, because heretofore the cost of litigation has been excessive. Litigants will now be relieved to a large extent of the heavy costs that heretofore have prevailed. As I understand it, the cost of administering the provisions of this Act will be about $7 million.

Hon. Mr. Gershaw: Yes.

Hon. Mr. Aseltine: And the federal government will receive in return about—

Hon. Mr. Gershaw: Some $700,000 altogether.

Hon. Mr. Aseltine: I am sure the residents of the Northwest Territories will be happy to know that the Canadian government intends to see that their roads, their reindeer herds, and so on, will be well taken care of. They will also be pleased to know that their lawsuits will be properly heard, and that in cases involving more than $500 they will have the right to appeal to the provincial

court of appeal in the province which is closest to the place where the case originated.

I was greatly interested in the remarks the honourable senator made about the reindeer herds. I have followed their progress for a number of years. I am pleased to note that some 2,370 reindeers have survived, and that the herd has increased by approximately fourfold. These reindeer will provide clothing and food for most of the inhabitants of the far north, particularly the Eskimos and Indians.

There are provisions in the bill having to do with intoxicating liquors, insane persons, neglected children, and so on, about which I should like more information; but if the bill is referred to committee my questions can be fully answered there.

Hon. Mr. Reid: At the outset of his remarks the honourable senator from Medicine Hat (Hon. Mr. Gershaw) spoke about the wonderful work that is being done to propagate the reindeer herd. In view of the statements coming out of the north about the Eskimos becoming "soft" since being provided with some of our social welfare benefits, I would like to ask if the honourable senator can give us any information about the Eskimo population and the condition of their health. If that information is not available now, I think it should be supplied in committee.

Hon. T. A. Crerar: Honourable senators, our colleague who explained this bill has given a good account of present conditions in the Northwest Territories. I have had little opportunity to examine this bill, but I do not think it contains anything worth commenting on in the way of powers that may be given to the Northwest Territories Council. Quite obviously this is another step forward in providing the Northwest Territories with self-government; and it follows in broad outline the development that took place in the old Northwest Territories, now the provinces of Saskatchewan and Alberta.

The Council is to have eight members, five to be appointed by the government and three to be elected. This council is given pretty broad legislative power. By virtue of power similar in character to that exercised by the provinces today, it can impose taxes and make regulations regarding health and other matters.

The bill provides for the establishment of courts and the administration of justice. This is a natural development, proceeding I think along the right lines; but the government very wisely has retained power to supervise what is done by the territorial council. If the territorial council passes an enactment that in the judgment of the government is not wise or desirable, the government has the power to disallow it; and that power, I believe, is exercisable within two years of the passing of the enactment.

There are one or two questions on which further information might be secured when the bill goes, as I presume it will, to a committee. I find myself at a loss to understand quite what is meant by section 26, which apparently gives every judge of the court that is to be established for the Northwest Territories power to try cases outside of the territories. That may be wholly desirable, and at the moment I am not objecting to it, but it does appear to me rather unusual procedure. It would seem to me analagous to give an Ontario judge, say, power to try in Manitoba persons charged with having committed offences in Ontario.

Hon. Mr. Aseltine: That would not be as bad as making it possible for Canadians to be tried in the United States.

Hon. Mr. Crerar: I do not know about that. But as I read this section, rather hurriedly, it appeared to me that some explanation of it might be given.

As I ran through the bill I marked portions that were not clear to me, and there are two other sections that I wish to mention. I notice from section 37 that the officers of the court and other officers for administration of justice in the territories are to be appointed by the Governor in Council. That, I take it, means that they are to be appointed by the government here. The provision may be a wise one, but it occurred to me that as we are setting up a local government the responsibility of making these appointments might be entrusted to it.

The other section to which I wish to refer is section 41, which deals with the protection and development of reindeer in the territories. This is a wholly sound provision. The introduction of reindeer into this northern country was a very wise move. As honourable senators are aware, the experiment was fraught with considerable difficulty. The reindeer had to be secured in Alaska and herded around to the Mackenzie river delta and east of the delta, a movement which took more than two years. The reindeer, whose natural food exists pretty generally over the Northwest Territories, is suited to the climatic conditions in that part of Canada. It provides meat and milk for domestic purposes, and its skin is useful for clothing in those northern regions.

I notice that no provision is made for protection of the caribou, and I was wondering whether this animal was included under the general heading of reindeer. If it is not, I think that some authority to protect this

animal should be given to the Northwest Territories Council. As is well known, the caribou move south in the latter part of the year, and winter in northern Manitoba; and when spring comes along they move back north, to pretty well within the Arctic Circle. There is no doubt that they are essential to the life of the Indians and Eskimos in the region of Hudson's Bay and west of Hudson's Bay. In the past the herds have been decimated by wolves, and reports that one gets now indicate that the number of caribou is being steadily reduced.

Hon. Mr. Howden: Are the caribou and the reindeer not of the same species?

Hon. Mr. Crerar: They have not been so described in literature. It may be that the caribou are included within the provisions of this section, or that the eastern Arctic authorities have some responsibility for protecting these animals. However, that is a point on which information can be obtained in committee.

In a general way I think the legislation is progressive and necessary. It marks an additional step forward in the development of that part of Canada which until very recently was regarded as a frozen and useless waste.

Hon. Mr. MacKinnon: I should like to ask a question about section 29. If the senator from Medicine Hat (Hon. Mr. Gershaw) has not the information here, it can be got in committee. I am wondering just how the 102nd meridian divides the Northwest Territories.

Hon. Mr. Gershaw: I have no information on that point. In a general way, the idea is that appeals will be taken to the Appellate Court of the province which is closest to the parties concerned.

Hon. Mr. MacKinnon: What I am interested in is whether the 102nd meridian is as far east as Hudson's Bay or if it takes in part of the Northwest Territories. I do not see how courts in the Province of Prince Edward Island, for instance, could properly handle cases arising in any portion of the Northwest Territories.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

CANADIAN NATIONAL RAILWAY CAPITAL REVISION BILL

NOTICE OF COMMITTEE MEETING

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, I wish to remind the house that the Standing Committee on Banking and Commerce will meet as soon as we rise, to resume its consideration of the bill to revise the capital structure of the Canadian National Railway Company. All senators, whether members of the committee or not, are especially invited to attend this meeting, in order to participate, if they so desire, in discussions on this important legislation.

The Senate adjourned until Monday, June 23, at 3 p.m.

THE SENATE

Monday, June 23, 1952

The Senate met at 3 p.m., the Acting Speaker (Hon. J. H. King, P.C.) in the Chair.

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

REPORT OF COMMITTEE

Hon. J. W. de B. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters, have in obedience to the order of reference of June 19, 1952, examined the said bill, and now beg leave to report the same without any amendment.

MOTION FOR THIRD READING POSTPONED

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

Hon. Mr. Robertson: Honourable senators, as one of my colleagues has said he wishes to speak on this bill, and as the Honourable Mr. Winters, Minister of Resources and Development, is waiting outside to explain the Eastern Rocky Mountain Forest Conservation Bill, which is the first item on our Order Paper today, I would ask that the Canadian National Railway Bill be placed on the Order Paper for third reading later this afternoon.

I would also ask that motion No. 2, for approval of the agreement for promotion of safety on the Great Lakes, which the senator from Lunenburg (Hon. Mr. Kinley) will explain, be set down for consideration later at this sitting.

The Hon. the Acting Speaker: Stand, for consideration later today.

UNEMPLOYMENT INSURANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 332, an Act to amend the Unemployment Insurance Act, 1940.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 332, an Act to amend the Unemployment Insurance Act, 1940, have in obedience to the order of reference of June 19, 1952, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. Haig: An agreement was reached between the honourable leader and myself that I would be supplied with certain information. As I have not received that information, I would suggest that the third reading of this bill be postponed until tomorrow.

Hon. Mr. Robertson: Next sitting.

IMMIGRATION BILL

SUBJECT MATTER REFERRED TO COMMITTEE

Hon. Wishart McL. Robertson moved:

That the Standing Committee on Immigration and Labour be authorized to examine the subject matter of Bill 305, intituled: "An Act respecting Immigration," presently before parliament, in advance of the said bill reaching the Senate, and that the said committee be authorized to send for persons, papers and records.

He said: Honourable senators, I have arranged to have the Minister appear before this committee this afternoon, and if the house sees fit, honourable senators might agree to sit again this evening at 8 o'clock.

I am anxious to expedite the business of the house as much as possible, but my authorities on the possible date of the conclusion of the session now are not as optimistic that we will conclude this week. Perhaps the leader opposite could advise us later in the sitting as to what the prospects are.

The motion was agreed to.

EASTERN ROCKY MOUNTAIN CONSERVATION BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill E-13, an Act to amend the Eastern Rocky Mountain Forest Conservation Act.

Hon. Robert Henry Winters (Minister of Resources and Development): Honourable senators, as this is the first time I have had the privilege of being in this chamber on such an occasion, I hope you will allow me to say how much I appreciate the honour. I shall do my best to explain what is a very short but quite important bill.

By way of background I might say that an agreement was signed in June 1947 between the Government of Alberta and the

Government of Canada to protect the forest cover of that part of the eastern slopes of the Rocky Mountains in which rise the North and South Saskatchewan rivers and in which they have their initial drainage. I know there are present today a number of honourable senators who are quite familiar with this project; in particular, the honourable senator from Churchill (Hon. Mr. Crerar), who had a great deal to do with it at its inception. In July 1947, this agreement was ratified by an Act entitled The Eastern Rocky Mountain Forest Conservation Act.

The area in question covers five and a half million acres, which is 8,618·74 square miles. It might be helpful by way of comparison to point out that the area of Prince Edward Island is 2,184 square miles, and of Nova Scotia, 21,068 square miles.

The agreement and the Act provided that a board be set up to consist of three members, two to be appointed by the Governor in Council and one by the Lieutenant Governor in Council of the Province of Alberta. The Act and the agreement gave the Governor in Council the right to appoint one of the two federal appointees as chairman of the board. The agreement came into effect on April 1, 1948, and is to run for a term of twenty-five years.

The capital expenditure period is a term of six years. The Act provides for a total capital expenditure of $6,300,000, to be borne in its entirety by the federal government. There is provision for a maintenance program of a minimum of $250,000 and a maximum of $300,000 a year, to be borne on the basis of a formula under which the federal government undertakes to pay up to $175,000 a year. The revenues from the surface rights in the project area apply against the maintenance, and if they are in excess of $125,000 per annum the federal government's expenditure on maintenance is reduced correspondingly from $175,000 per annum. The basis of fire-fighting is that for expenditure over $10,000 a year the cost is borne equally by the federal government and the provincial government.

The capital expenditure period would normally expire on April 1, 1954, but for a number of reasons it has not been possible to make as good progress as was anticipated. The chief reason is that 1951-52 was a particularly wet year in Alberta, and it was very difficult to proceed with the major part of the agreement, which is the building of roads. Also it is necessary to carry out a considerable amount of preliminary investigation before the whole program can be finalized, and some work remains to be done in that field. Further, it has been found that the maintenance program as provided for in the act to a maximum of $300,000 per annum is not sufficient in the light of the magnitude of the project or of present-day costs. The two signatories have reviewed the agreement and certain changes are now sought. In the first place it has been deemed advisable to ask for a one-year extension for the capital expenditure, making it a seven-year period instead of a six-year period. The amount of the expenditures remains the same, $6,300,000, and is still the responsibility of the federal government.

The provincial government has asked that the maintenance allotment each year be increased from the present maximum of $300,000 to $450,000. At the same time, the government of Alberta has agreed to assume the full maintenance costs and, in the light of this, has requested that at the end of the capital-expenditure period the composition of the board be changed to enable the provincial government to have two members instead of one, as at present, and the federal government to have one member instead of two. Instead of the Governor in Council having the right to designate the chairman, the Lieutenant Governor in Council of Alberta will now have this right, but the agreement provides that the Chairman may, if so desired, be the federal member on the board.

Honourable senators, those are the basic changes being sought by this legislation. The new agreement has been signed by both the federal government and the government of Alberta, but will not be promulgated, of course, until it is approved by both the provincial legislature and the federal parliament.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: May I ask a question about this bill while the minister is with us? First of all, let me say how welcome the minister is to our chamber, and how much we have enjoyed and profited by his explanation. Section 2(a) of the bill reads:

> two members of the Eastern Rockies Forest Conservation Board shall be appointed by the Lieutenant Governor of Alberta in Council . . .

I believe the minister said that the Governor in Council of Alberta would have the right to appoint certain members to the board, but the way the bill is drawn it would seem to tell him that he shall do so and so. It looks as though we were commanding the Lieutenant Governor of Alberta in Council to appoint two members, and I would fancy that the proper phraseology would be that he has the right to do it. It should not be a direction. Perhaps there is some explanation for it.

Hon. T. A. Crerar: Honourable senators, we are delighted today to welcome the Minister of Resources and Development. I recall that when I came here as a neophyte I was rather alarmed at the prospect of addressing this august chamber, but my honourable friend has come here today and has discharged his obligation in a way that has been most satisfactory to all of us.

I think this is one of the most useful pieces of legislation that we could have before us for consideration. I recall that back in 1938 the government of the day and the Department of Mines and Resources, which I was more or less adequately looking after, had discussions with the Alberta Government for this very purpose. The eastern slope of the Rocky Mountains, running through from the international boundary to the northern boundaries of Alberta, was at one time heavily covered with forest. The headwaters of all the streams that flow down on to the prairie regions are in that area. There was very clear evidence at that time that the devastation of the area by fire was proceeding apace, and that unless preventive steps were taken we could look forward to the time when the whole region would be denuded of forest cover and we would suffer all the natural consequences.

Nothing is more important for our country than sound ideas of conservation. But we have been prodigal in the handling of our wealth. I recall that many years ago a gentleman who was here as a diplomatic representative of one of the central European countries, where conservation of natural resources is understood and practised, remarked to me "You have a very rich country; but, if you do not mind my saying so, you are a very wasteful people." And that indictment was true. With the disappearance of the forest cover, the snows that gather in the winter pour down the mountainsides in torrents when spring comes, and create floods, erosion and other disastrous effects.

I rose today simply for the purpose of complimenting the minister and the government on bringing in this legislation. The measure is very necessary, and one that this house can fully support without any hesitation whatever.

Hon. Mr. Reid: May I ask the honourable minister if the entire capital expenditure of $6,300,000—not the cost of maintenance—is to be borne by the federal government?

Hon. Mr. Winters: That is correct.

Hon. Mr. Reid: Will the personnel of the board be changed before the full expenditure of $6,300,000 is made by the federal government?

Hon. Mr. Winters: No, the personnel of the board will not be changed until the whole of the capital expenditure has been made.

In reply to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) may I say that, not being a lawyer, I am of course bound to rely upon lawyers for the language used in the bill. This phraseology is the same as that used in the Act of 1947, section 4(1) of which reads:

> There is established for the purposes set forth in this Act, a board to be known as the Eastern Rockies Forest Conservation Board consisting of three members, two of whom shall be appointed by the Governor in Council and one of whom shall be appointed by the Lieutenant Governor of Alberta in Council.

Hon. Mr. Gershaw: Honourable senators, the minister has explained that the purpose of this measure is to protect the forest cover on the eastern slope of the Rockies, the idea being that the flow of water will be gradual and steady instead of torrential. Would he kindly state whether protection is to be given against insects, over-cutting by lumbering interests, and so on, and in general how the forest growth is to be protected?

Hon. Mr. Winters: In reply to the honourable senator from Medicine Hat (Hon. Mr. Gershaw), I may say that the program is largely one of building roads to provide access for the rapid transportation of fire fighting crews and equipment. Also, fire wardens' houses and fire watchers' stations are to be constructed. In general, I think it is fair to say that the program is largely one of prevention of forest fires.

Hon. Mr. Horner: Honourable senators, as one who has been over a large part of the territory in question and has a fair knowledge of it, I wish to say that I think this measure is a very worthy one. The country with many deep ravines, is very difficult to travel through, and the plan to build roads over which fire fighting crews and equipment may move rapidly is a very commendable one. The region comprises one of the fastest growing timber areas in all of Canada, and the cost of the protection will be fully repaid in years to come through increased growth of timber.

Hon. Mr. Reid: The Dominion Government is not in this field by right, is it? The provincial governments are usually responsible for fire fighting and other forest protection.

Hon. Mr. Winters: That is my understanding of it, honourable senators. An agreement has been made between the federal government and the Government of Alberta, whereby the federal government will assist in the protection of a resource that belongs to the province.

Hon. Mr. Reid: I thought that Alberta was so rich in oil that it did not need any assistance.

Hon. Mr. Horner: The waters flow over more than one province—over the three prairie provinces, in fact—so the Dominion Government is interested.

Hon. Mr. Winters: Yes. I might say, honourable senators, that the basic reason why the federal government sees fit to participate is that the waters which rise in this area flow across all three prairie provinces and are an important factor in their economic life.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Honourable senators, the Northwest Territories Bill is before the Banking and Commerce Committee, which will be resuming its sitting when the Senate rises this afternoon, and the departmental officials who will be present to answer questions on that bill could also give any information that honourable senators may require on the present bill. I do not know whether information on it is required, but perhaps the bill had better be referred to the committee.

Hon. Mr. Haig: I do not see any need for it.

Hon. Mr. Robertson: I think it had better be sent to committee. I move, honourable senators, that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

Hon. T. A. Crerar: Honourable senators, when the motion for second reading of this bill was before the house a few days ago I was unable to be present. However, I read the discussion with interest and I have a few comments that I should like to make on the bill. Had I been in my place when second reading was given, as perhaps I should have been, I would have made them then.

The suggestion was made, I think, by our honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck), that it might have been better if at the onset of financial trouble the railroads had been allowed to go into bankruptcy; that we thus might have avoided the disadvantages of public ownership of a railway system, and the public treasury might not have suffered the losses it has sustained. It is to that suggestion that I wish to direct a few remarks.

Hon. Mr. Roebuck: May I intervene to say that my comment was that it might have been just as well if these railways went through the wringer and had the water squeezed out instead of their debts being passed on to posterity. That did not necessarily imply that after bankruptcy they would not have become publicly owned.

Hon. Mr. Crerar: I certainly had no intention of colouring the remarks made by my honourable colleague in any way; however, I think it would have been impossible at that time to have implemented the suggestion he now offers as to the manner in which this business should have been handled. It is on that point that I wish to address the house; and to do so it is necessary first to give some history of railway development in Canada.

The vast country of Western Canada was at that time opening up; and, rightly or wrongly, some 70 years ago, following the entry of the Western provinces into the Canadian confederation the idea of the Canadian Pacific Railway developed, and the company received substantial grants of land and money from the Government of Canada as well as assistance in the construction of a substantial part of the present C.P.R. main line in the province of British Columbia. The government of the day had instituted a very vigorous immigration policy, and by the late 1890's many thousands of immigrants were flowing into the Prairie Provinces each year. It looked at that time as if this condition would continue indefinitely. A significant fact in relation to the bill now before us is that the genesis of our railway problem, and the extent to which the federal treasury has been burdened, is due in large part to the strong optimism during the years I am speaking of, and to the system of guaranteeing of bonds so prevalent in that period.

In 1903, as part of an arrangement made with the Grand Trunk Railway Company of Canada, the government built the National Transcontinental line from Moncton to Winnipeg. If my memory serves me right, the late Charles M. Hayes, who by the way went down with the *Titanic*, was president of the railway. At that time the Grand Trunk

had all its branch lines in Ontario, and it was given the short haul to North Bay, while the Canadian Pacific Railway got the long haul to Winnipeg and all points beyond, to the mountains. It was that fact which prompted President Hayes of the Grand Trunk to approach the government of the day with a proposal that his railway be assisted in getting into Western Canada. As I have said, the government, in the final analysis, had undertaken to build a line from Moncton to Winnipeg. The Grand Trunk itself then undertook to construct a line from Winnipeg to Prince Rupert, and pledged its credit and guaranteed securities to build that long stretch of road.

While this venture was proceeding the Mackenzie and Mann interests were busy too. The first railway they built was in Manitoba, from Gladstone to Dauphin, through a very rich farming country. That road was built under the new financing technique by which the provincial government guaranteed the bonds at so much per mile to cover the cost of the road. This technique was then extended to other lines which Mackenzie and Mann were building in Saskatchewan and Alberta. In addition, the Manitoba Government guaranteed financial assistance to the Canadian Northern, as it was then called, to take it to Port Arthur, at the head of the lakes. As part of the consideration for this aid the Government of Manitoba was to receive a substantial reduction in freight rates on the movement of grain from the prairies to the head of the lakes.

In addition to the assistance given to railways by provincial governments, the federal government in 1914 guaranteed $45 million to the Canadian Northern Railway to build a line from Eastern Canada to Port Arthur, to link up with the prairie line of the old Canadian Northern. Further, the Government of British Columbia gave a guarantee on the Canadian Northern line from the Alberta-British Columbia border to Vancouver.

By 1918 the financial position of the railways was such that the oustanding guarantees of the provincial and federal authorities had to be honoured. The cost of construction of the Grand Trunk Pacific was much more than had been estimated, and that system was soon in financial difficulty. The Canadian Northern also had its troubles, and by 1919 —as the honourable senator from Saltcoats (Hon. Mr. Calder) will recall—the government of the day had to deal with the whole problem.

What courses were open to the government? It could have let the Grand Trunk go into bankruptcy and be sold; and there is little doubt that the Canadian Pacific Railway would have been in the market to buy the lines in Ontario. The Canadian Northern Railway could have been allowed to go into bankruptcy, with the result that the Manitoba Government would have had to take over the section of the road in that province, which it held as security for the bonds it had guaranteed. The provinces of Saskatchewan, Alberta and British Columbia would have followed the same course, and we would have had segments of a railway with no connection or cohesion in management whatsoever. In addition, the federal government was vitally interested by virtue of having given a guarantee in 1914 for $45,000,000. The upshot was that the government decided it was in the national interest to take over the Grand Trunk, the Grand Trunk Pacific, and all the Canadian Northern lines in both Eastern and Western Canada. So the old Grand Trunk Railway disappeared, and Mackenzie and Mann ceased to be railway owners and operators in this country. As the sponsor of the bill pointed out, it was not until 1923 that the government determined to incorporate the Intercolonial Railway and the National Transcontinental lines in a complete national system.

In the carrying out of this scheme there was duplication, of course, and roads were taken into the system which probably should never have been built. I might mention as a concrete illustration the line between Edmonton and Redpass Junction, in the mountains. The Grand Trunk and the Canadian National main lines paralleled each other for several hundred miles, and after consolidation took place one of them was torn up; but all the vast expenditure on construction remained in the capital structure of the Canadian National Railways. I have often thought that in 1923 there should have been a complete revision of this capital structure.

What we are dealing with, as I said earlier, is the climax of all the mistakes which resulted from the optimistic mood of forty or fifty years ago. At that time it was believed there would soon be traffic enough for all these roads. I remember the predictions of enthusiasts that by 1930 Canada would have a population of twenty million, and we were urged to prepare accordingly. This much can be said with perfect truth, that the responsibility for the railway situation which developed was not due to the shortcomings of any one political party, but to the optimistic spirit of the times, the belief that we would be forever expanding, going up and up and on and on, and that all these railways would be required.

I wanted to say these few words in explanation of why proceedings in bankruptcy were not resorted to. It is not necessary to discuss

the vicissitudes of the Canadian National Railways from 1923 to the present time. I am well aware that Sir Henry Thornton was not without shortcomings, but he did a useful work for the Canadian National Railways. When the Grand Trunk and Grand Trunk Pacific systems were united with the Canadian Northern, the officers of the railroads from the top to the bottom were in a state of uncertainty, few of them knowing who would have to go and who would stay. The great achievement of Sir Henry Thornton was the development of harmony and a magnificent *esprit de corps* in all ranks of Canadian National personnel. That accomplishment, whatever may be said against him by way of criticism, must stand to Sir Henry's credit, because the promotion and development and bringing to fruition of a spirit of harmony and co-operation in a great railway system of this kind, with tens of thousands of employees, is a matter of the first importance.

I trust my colleagues will forgive me for having interjected these remarks on the third reading of the bill, but I felt that it was of some importance to place them on the record.

Hon. R. B. Horner: I had not intended to speak on this motion, but in view of the praise which the honourable senator from Churchill (Hon. Mr. Crerar) has bestowed on the late Sir Henry Thornton's achievements in behalf of the national railways and of Canada, I cannot refrain from a few comments.

I am not impressed by such achievements as suddenly raising a man's pay from $5,000 to $15,000 a year and granting big salaries to people whose main jobs seemed to be giving away the property of the railroad. I never approved of salaries of $30,000 a year to men who were incapable of earning any such amounts. The effect, I happen to know, was the very reverse of encouraging *esprit de corps* among the rank and file. It is true that Sir Henry held an important position at a high salary, and that he was interested in propaganda—so much so that one of his officials charged with handling it got $15,000 a year—but the propaganda carried on was simply to advertise Sir Henry Thornton. Some of the contractors with whom Sir Henry had to deal are still living, but unfortunately the very able man who was his deputy, and was particularly well informed on what went on at the time, has passed away.

Have honourable senators never heard of the Decary house purchase? What about that forty-thousand dollar trip, paid for with Canadian National money, to Kingston, Jamaica, to invest $400,000 in a hotel on which the company had no security but a second mortgage? There was the case of an official in the Maritimes who received a salary of $30,000 a year, and who, when he refused to sign certain documents at the direction of Sir Henry, was immediately retired, and, although not entitled to any pension, was granted $10,000 a year as a retiring allowance. When some of us were looking into the matter, this official approached me and offered to forgo his pension. I told him that if he would come before the Railway Board and explain to us all the circumstances concerning his retirement, including who was responsible for it, I would, if the board thought he was entitled to some retiring allowance, recommend a pension in the amount of $5,000.

Such incidents as these come to mind when we are told of the achievements of Sir Henry Thornton. There is not an employee of the road from one end of the country to the other who does not know something of the nonsensical actions of this grandiose official.

Hon. John T. Haig: Honourable senators, I move the adjournment of the debate. It is my experience that little has been recorded either in the Senate or the House of Commons *Hansard* of the facts of the situation at the time of the amalgamation of the railroads. Honourable senators who are members of the Banking and Commerce Committee will remember that I asked the president of the Canadian National certain questions and got straightforward answers; but I have not yet received my copy of the record. I want to have those documents placed on *Hansard*, so that I cannot be challenged as I was the other day by certain gentlemen in this chamber. I have the answers and I shall place them on record, and if there are any who want to challenge them, they can do so. That is why I want to adjourn the debate.

The motion was agreed to, and the debate was adjourned.

SAFETY ON THE GREAT LAKES

APPROVAL OF AGREEMENT

Hon. Wishart McL. Robertson moved:

That it is expedient that the Houses of Parliament approve the Agreement for the Promotion of Safety on the Great Lakes by Means of Radio between Canada and the United States of America, signed at Ottawa, February 21, 1952, and that this house do approve the same.

He said: Honourable senators, I have asked the honourable member from Queen's-Lunenburg (Hon. Mr. Kinley) to explain this resolution.

Hon. J. J. Kinley: Honourable senators, the purpose of the resolution before the house is to approve the Agreement of February 21, 1952 for the Promotion of Safety on the Great

Lakes by Means of Radio. This agreement was signed on behalf of the government of the United States by the United States Ambassador to Canada and Commissioner W. E. Webster of the Federal Communications Commission of the United States and on behalf of Canada by the Honourable Lionel Chevrier, Minister of Transport for Canada. The agreement is the culmination of negotiations between Canada and the United States which have extended over a period of some fourteen years.

Basically this agreement constitutes formal recognition of the fact that radiotelephony, which enables direct communications between vessels within a certain radius, as well as from ship to shore, is superior to radiotelegraphy as a means of aiding navigation and securing assistance in time of distress. This is particularly true in congested and restricted waters like the Great Lakes.

Negotiations were susupended for a time owing to a variety of factors, such as the shortage of radio equipment brought about by the demands of the armed forces and other essential services; however, in 1947 they were re-opened, and the document which is now being recommended for approval by this house was finally prepared at a conference held in Ottawa in 1951.

The existing law with respect to radio installations on board ships on voyages on the Great Lakes and other domestic waters, as provided in the Canada Shipping Act, 1934, and the Radio Regulations for Ship Stations, has remained unchanged since 1939. Section 406 (2) (a) of the Act requires the installation of radiotelegraph apparatus and the employment of a radio operator on passenger steamships which fall within one of the three following categories: (1) carrying 50 or more persons and going on a voyage of more than 200 nautical miles; (2) carrying 250 or more persons and going on a voyage of more than 90 nautical miles; (3) carrying 500 or more persons and going on a voyage of more than 20 nautical miles. In addition, section 406 (2) (b) requires cargo ships of 5,000 gross tonnage and over to carry radiotelegraph apparatus, and a radio operator on voyages of more than 200 nautical miles.

The Act permits the Governor in Council to exempt cargo ships from the foregoing requirement, such exemption being conditional upon the Governor in Council deeming an installation to be unnecessary or unreasonable, and in 1940 advantage was taken of the prerogative of the Governor in Council to amend the regulations so as to permit cargo ships of 5,000 tons gross tonnage and upwards on the Great Lakes to carry radiotelephone apparatus in lieu of radiotelegraph apparatus and an operator.

I shall now briefly explain the articles of the agreement.

Article 1: The general provisions of the agreement emphasize its purpose for the promotion of safety of life and property on the Great Lakes, and that the regulations annexed to the agreement are an integral part thereof. At the same time, it is asserted that nothing shall prevent the use of any means at the disposal of a vessel or survival craft to make known its position and obtain help in case of distress.

Article 2: The various terms sued in the agreement are defined.

Article 3: The agreement embraces the area of the Great Lakes and the River St. Lawrence to the lower exit of the Lachine Canal and the Victoria Bridge at Montreal. It does not include tributary rivers which are not connecting rivers, and the Niagara River. All passenger vessels over 65 feet in length, and other vessels of 500 tons gross tonnage, being navigated in this area outside of a port will be required to carry radiotelephone apparatus. The provision with reference to all passenger vessels over 65 feet in length is arbitrary in so far as Canada is concerned but I understand it conforms with the requirements of the United States Motor Boat Act.

Also included under the compulsory requirement of the agreement are vessels under 500 tons gross tonnage engaged in towing another vessel of 500 tons gross tonnage, or over, unless the vessel being towed is fitted with radiotelephone apparatus.

Ships of war, troop ships, vessels in tow, vessels not self-propelled by mechanical means—I take it that sailing vessels would be excluded from the provisions of this agreement—government vessels not engaged in trade, and vessels towing other vessels within 30 miles of a port, or vessels engaged in movement of material between a port and a dumping ground, within 30 miles from the site of such operation, are exempt from the requirements of the agreement.

Partial exemption applies to vessels of the contracting governments, or ships of foreign registry entering the lakes on a voyage from outside ports on not more than two occasions within the calendar year. Such vessels must, however, meet the requirements of the International Convention for the Safety of Life at Sea, 1948, with respect to radiotelephone, such equipment to be adjusted to the international distress and safety frequency of 2182 kilocycles. Incidentally, the International Convention for the Safety of Life at Sea, 1948, has not yet been ratified.

The foregoing embraces the acceptance of the safety radiotelephone certificate which

will be issued under the new safety of life at sea convention and, in addition, provides for the recognition in like manner of certificates issued by either Canada or the United States to their own vessels on home trade voyages and entering the lakes from below Montreal.

Article 4 of the agreement provides that a vessel which is not subject to the provisions of this agreement shall not become subject thereto due to stress of weather or other cause of *force majeure*.

Article 5: The contracting governments are obligated to ensure that a listening watch is kept by coast stations on the distress frequency.

Article 6: There is also a general exemption clause permitting either contracting government to exempt vessels because of conditions of the voyage, proximity to shore, absence of navigational hazards, and so forth. Such exemption is renewable each year.

Article 7: The agreement sets forth that every vessel coming under the Act shall carry, either as an officer or member of the crew, at least one person qualified for radiotelephone operation and certified by either of the contracting countries, each of whom certifies for its own citizens. This same section obliges the masters of vessels to designate one or more of such persons to operate the radiotelephone installation, although it does not limit his duties to this work only.

It is provided that there must be a continuous effective listening watch on the distress frequency by oral means, and that where, through no fault of the master, the vessel is deprived of the services of a certified person, the vessel may proceed on her voyage as a temporary expedient. The master is, however, required to exercise due diligence to obtain a qualified replacement and to notify his government of the circumstances.

Article 8: The radiotelephone installation required under the agreement must be in effective operating condition and approved as meeting the requirements set forth in the regulations annexed to the agreement. Should it cease to be in effective operating condition, the master must take steps to repair any defects as quickly as possible and, in any case, no later than the arrival of the vessel at the destination of her voyage. The master is required to report such circumstances to his government or, if the vessel is owned by a government other than a contracting government, to a contracting government at the vessel's destination or at the last port of call on the Great Lakes.

Article 9: The agreement requires that records shall be kept of the use of the radiotelephone installation for safety purposes.

Article 10 states that the master of the vessel has supreme control over the radiotelephone installation and its operation, and enjoins him to comply with the applicable law and international agreements, and with rules and regulations made pursuant thereto.

Article 11 provides for inspections and annual surveys of all vessels.

In article 12 there is provision for the issuance of certificates covering such inspections, which documents must be kept on board the vessel for production to the officers of either contracting government. A certificate issued by either of the contracting governments shall certify to the satisfactory installation and operating conditions of the radiotelephone apparatus.

According to article 13, either government may, if requested, survey a vessel and issue a certificate on behalf of the other government.

Article 14 specifies that a vessel carrying certificates issued by either government is subject to control by duly authorized officers of either government, who may verify that there is a certificate aboard and that the apparatus complies in condition and operation with the particulars of the certification.

Article 15: Both countries are bound to assist the vessels of countries other than Canada and the United States in meeting the requirements of the agreement.

Article 16 requires the contracting governments to exchange copies of certificates, laws, regulations, reports, etc., with respect to the operation of the agreement.

Article 17: The agreement is, of course, subject to ratification, and does not come into force until two years after the date on which the instruments of ratification are exchanged.

Article 18: The agreement may be terminated by either government after five years, the termination to be effective twelve months after the date on which notification is received by the government to which it is addressed.

The regulations annexed to the agreement are an integral part thereof, and by mutual consent of the two governments may be amended as becomes necessary to carry out the provisions of the agreement.

The present regulations provide for the technical specifications of the radiotelephone installation. They require that the main operating position for the radiotelephone equipment shall be on the bridge, and that

sufficient electrical energy shall be available for the operating thereof. Passenger vessels of 1,000 tons gross tonnage or more are, in addition, required to have available an auxiliary source of energy to operate the equipment in case of failure of the vessels' electrical supply.

The regulations require that the 2,182 kilocycles frequency, designated as the international distress and calling frequency for radiotelephone by the Radio Regulations, Atlantic City, 1947, be fitted on all vessels. There is also a requirement for an additional frequency for inter-ship radiotelephone communication. The transmitter must be capable of delivering at least 50 watts power to an efficient antenna. The regulations specify that the receiver is to be sensitive, and that the equipment must be tested periodically to ensure continued efficient operation; and a record of the tests must be kept.

The requirements for the certificates of the radiotelephone operators are set forth in the regulations. Qualifications of operators on board vessels of countries other than the contracting governments may be accepted, provided the operators are in possession of certificates of proficiency issued under the Atlantic City Radio Regulations.

The regulations specify in detail how the records of use of the radiotelephone equipment for safety purposes shall be set up and maintained.

Of the eleven passenger ships directly affected by the agreement, three will require no change in existing equipment, two must obtain emergency power supplies, two will require more powerful apparatus, and four will be required to install radiotelephone.

As to eight other passenger-carrying vessels operating as ferries or on restricted short voyages, special consideration will be required to determine whether exemptions are warranted under the exemption conditions of the agreement. Of the 221 cargo ships plying the Great Lakes and already fitted with radiotelephone, 90 will be required to obtain more powerful apparatus.

Equipment suppliers, I am informed, state that the cost of an acceptable installation on board ship runs from $880 to $1,400 when purchased outright, the higher figure applying to vessels requiring a reserve power supply. Equipment may, however, be rented at an annual cost of $470, including service and maintenance charges. Installation charges usually run from $50 to $75.

While it is noted that many ships will be required to replace low-power equipment or install new equipment, it will be recalled that the Dominion Marine Association, which represents many of the shipping operators concerned, was whole-heartedly behind the agreement; and that, as a matter of fact, the industry at one time talked of requiring all ships on the Great Lakes, irrespective of size, to be fitted with radiotelephone, because of the very important safety factor resulting from the ability of ship masters to converse with one another in restricted waters.

Honourable senators, the agreement which I have just reviewed applies to ships on the Great Lakes. However, provisions for the safety of life and property on waters anywhere are always of importance and interest to those of us who live by the sea. Our minds go back to the days of the sailing ship, when the hazards were much greater than they now are. The greatest perils then arose from winds and storms. The loss of life on long sailing voyages is evidence of the difficulties and risks that had to be faced by our forefathers when they sailed to this country, and afterwards when they made their living from the sea. Throughout the years the sea took a heavy toll of our men in the Maritime Provinces. It is interesting to note how conditions have improved with the progress of science, until today it is claimed that a ship is one of the safest places where one can be.

In the olden days the dangers that confronted our seafaring men, in ships that depended for their motion on the wind and the weather, came principally from the elements. Most of these dangers have been overcome, and those which cause chief concern today are largely operational, arising from fire and collision. The perils from these sources too can be made less frequent by discipline, vigilance, training, and the use of scientific devices, among which the radiotelephone is one of the best. It is particularly useful in congested and restricted waters such as the Great Lakes.

We are all familiar with the differences between the telephone and the telegraph: each has its advantages. The telegraph system is the safer device by reason of the fact that a record is made, and there is greater secrecy; the telephone, on the other hand, permits a conference between ships and from ship to shore, and a conclusion can thus be quickly reached. Deep-sea fishing vessels from Lunenburg have for many years been equipped with radiotelephones, and can be in communication with their owners and the families of the crews at any time. This is important from a business standpoint; it also makes the absent fishermen seem to be less remote.

I have said that the telegraph furnishes a record. Honourable senators will note that

the agreement makes provision for a log, which is to be kept as an official record of telephone conversations, if one is needed.

It may interest honourable senators to hear that the radiotelephone can transmit messages over salt water much farther than over fresh water. From Lunenburg we can send messages to the Grand Banks, and be in communications with vessels there. Halifax has a strong station—over 1,000 watts—and we sometimes transmit through it. The regulations under this resolution require a minimum of 50 watts for use on the Great Lakes.

In radiotelegraphy the distress signal is S.O.S.; but in radiotelephony according, to the final acts of the International Telecommunication and Radio Conferences held in Atlantic City in 1947, the distress signal consists of the word "Mayday", the pronunciation of which is the same as that of the French expression *M'aider*, meaning, I understand, "help".

The text that I have before me adds:

> These distress signals indicate that the ship, aircraft, or other vehicle sending the distress signal is threatened by grave and imminent danger and requests immediate assistance.

In this instance, Canada and the United States are making an agreement to invoke the aid of scientific progress, through the use of the radiotelephone, for the promotion of safety on the Great Lakes. I am sure we all agree that this is a step forward. It is an example of science, coming to the help of industry.

I was pleased to see in the chamber today the Honourable Mr. Winters, Minister of Resources and Development, who comes from Nova Scotia and represents in the House of Commons the same constituency that I once represented in that house. It is unique, I think, that we should be here together, and that our remarks should appear in the Senate *Hansard* of the same day.

Hon. Mr. Reid: I should like to ask three questions of the mover of this resolution.

First, why does a resolution of this kind use statute miles instead of nautical miles? Although, I realize that some installations will be made on land, and will take care of ships not more than thirty miles out at sea, I am wondering why we must use the statute mile of 5,280 feet instead of the nautical mile of 6,080 feet?

Second, why are the regulations confined to vessels of more than 1,000 gross tons? They are compelled to have reserve energy to properly handle radio telecommunication installations, but certainly ships of six or seven hundred tons are good-sized vessels.

My third question is, why has a resolution as laudable as this one been held in abeyance for so long after ratification of the agreement by both countries?

Hon. Mr. Kinley: As to the use of statute miles instead of nautical miles, I presume that because the regulations will apply to inland waters the authorities saw fit to describe the distance in land miles. I believe that is the custom on the Great Lakes.

The regulations are made to apply to ships of more than 1,000 tons because vessels of that size may be ocean-going vessels. In the lakes reserve energy is more readily procurable than at sea. In all agreements such as this an arbitrary line has to be drawn somewhere, and in this instance it was drawn at 1,000 tons.

As to my honourable friend's third question, I believe that a reasonable amount of time was allowed to enable industry to familiarize itself with the matter and to prepare for the coming into effect of new regulations.

The motion was agreed to, and the resolution was concurred in.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 24, 1952

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

Prayers and routine proceedings.

WAR VETERANS ALLOWANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 181, an Act respecting allowances for war veterans and their dependents.

The bill was read the first time.

SECOND READING POSTPONED

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

Hon. Mr. Robertson: Honourable senators, this is the first of several pieces of legislation which will come to us today. I had intended earlier to ask the house to proceed with second reading today; but, if honourable senators agree, I should now like to suggest that second reading be postponed until tomorrow. My reason for doing this is that a considerable number of witnesses are here in connection with the Combines Investigation bill, and I should not like to encroach on the time for hearing them. I should like honourable senators to be prepared however to consider tomorrow afternoon all the matters which are then placed before us.

I therefore ask that second reading of this bill be proceeded with at the next sitting of the house.

Hon. John T. Haig: Honourable senators, may I take this opportunity to say to the government leader (Hon. Mr. Robertson) something that I omitted to mention to him before the house opened? Although there may be exceptions, most of the legislation which is coming to us—for instance, that affecting war veterans—is non-contentious. I would suggest, therefore, the bills could be discussed most effectively, and that progress would be more rapid, were they dealt with in committee of the whole house. Personally I should like to see all legislation before us disposed of by Friday, so that if delays occur, the other house, not ourselves, will be responsible.

Hon. Mr. Robertson: I have taken the precaution of asking certain of my colleagues to explain measures yet to come before us, and I personally am rather favourably disposed to the suggestion of the honourable senator. If a number of questions are to be asked, there is nothing to prevent us from adjourning during pleasure and hearing statements in committee. I am willing to be guided by the views of the house.

The Hon. the Speaker: The bill stands for second reading to-morrow.

VETERANS BENEFIT BILL

FIRST READING

A message was received from the House of Commons with Bill 182, an Act to amend the Veterans Benefit Act, 1951.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave of the Senate, to-morrow.

VETERANS INSURANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 183, an Act to amend the Veterans Insurance Act.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave, to-morrow.

PENSION BILL

FIRST READING

A message was received from the House of Commons with Bill 184, an Act to amend the Pension Act.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave, to-morrow.

CIVILIAN WAR PENSIONS AND ALLOWANCES BILL

FIRST READING

A message was received from the House of Commons with Bill 191, an Act to amend The Civilian War Pensions and Allowances Act.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave, to-morrow.

CANADA GRAIN BILL

FIRST READING

A message was received from the House of Commons with Bill 246, an Act to amend The Canada Grain Act.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave of the Senate, to-morrow.

IMMIGRATION BILL

FIRST READING

A message was received from the House of Commons with Bill 305, an Act respecting Immigration.

The bill was read the first time.

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

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

ARMY BENEVOLENT FUND BILL

FIRST READING

A message was received from the House of Commons with Bill 334, an Act to amend The Army Benevolent Fund Act, 1947.

The bill was read the first time.

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

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

FIRST READING

A message was received from the House of Commons with Bill 346, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1952, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

The bill was read the first time.

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

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

TAX RENTAL AGREEMENTS BILL

FIRST READING

A message was received from the House of Commons with Bill 347, an Act to authorize the Government of Canada to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

The bill was read the first time.

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

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

THE ESTIMATES

REPORT OF COMMITTEE ON FINANCE

Hon. T. A. Crerar, Chairman of the Standing Committee on Finance, presented the committee's report on the Estimates laid before parliament for the fiscal year ending March 31, 1953.

He said: Honourable senators, this report is the culmination of the inquiry that the Finance Committee has been conducting during the last two months. I would suggest that the report, together with the attached exhibits, be printed in the *Minutes of the Proceedings* for today, so that it will be available to honourable senators who may wish to take part in any debate on the motion for adoption of the report.

Hon. Mr. Haig: Honourable members, I have not received a copy of this report, and I certainly should like to have one. Do I understand that it will be printed in the *Minutes of the Proceedings*?

Hon. Mr. Crerar: Yes.

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

Hon. Mr. Crerar: Thursday next.

MOTION TO PRINT

Hon. Mr. Crerar: Honourable senators, with leave of the Senate, I beg to move:

That authority be granted for the printing of 1,000 additional copies in English and 200 additional copies in French of the report of the Standing Committee on Finance on the expenditures proposed by the Estimates laid before parliament for the fiscal year ending March 31, 1953.

The motion was agreed to.

EASTERN ROCKY MOUNTAIN CONSERVATION BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill E-13, an Act to amend the Eastern Rocky Mountain Forest Conservation Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill E-13, an Act to

amend the Eastern Rocky Mountain Forest Conservation Act, have in obedience to the order of reference of June 23, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move the third reading now.

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

NORTHWEST TERRITORIES BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 337, an Act respecting the Northwest Territories.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 337, an Act respecting the Northwest Territories, have in obedience to the order of reference of June 20, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move the third reading now.

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

EXTRADITION

REPORT OF COMMITTEE

Hon. Mr. Hugessen: Honourable senators, I beg to present the following report of the Standing Committee on Banking and Commerce:

The Standing Committee on Banking and Commerce have, in obedience to the order of reference of May 27, 1952, considered the subject matter of the resolution with respect to the Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900, and now beg leave to report recommending that the said Supplementary Extradition Convention be approved.

The Hon. the Speaker: Let the report be tabled.

GENOCIDE

PRIVILEGE

Hon. Arthur W. Roebuck: Honourable senators, before the Orders of the Day are proceeded with, and on a question of privilege, I should like to call the attention of the house to a letter written by Mr. N. T. Seymen, the Ambassador of Turkey to Canada, in which he objects to some remarks which I made on May 27 last in connection with the subject of genocide. With the permission of the house I should like to read excerpts from his letter.

He writes:

In a remarkable speech delivered before the Senate, Tuesday, the 27th day of May, 1952, the Honourable Senator for Toronto-Trinity has uttered certain appreciation of history which, in my opinion, does not correspond with the true facts. I will endeavour to explain myself on these points.

When Gladstone, as Chief of the British Parliamentary Opposition, threw himself into a furious anti-Turkish campaign in 1875-76, such attitude truly did not express the highly humanitarian sentiments he was nourishing himself for a sacred cause, but his motive was rather a vivid desire of fighting a worthy adversary, that is to say Count Beaconsfield, the policy of whom was frankly favourable to Turkey. Gladstone's demagogic agitation under the cover of disinterested idealism was only a manoeuvre of internal politics, of which Turkey has from that time paid all the cost, so much so that, seventy-five years after, the echoes of that unsettling agitation continue to reverberate between the walls of the Honourable Senate of Canada.

In 1875 the Ottoman Empire had to face an insurrection fomented by foreigners and had, in order to secure the maintenance of their own existence, to break down the uprising movement which was very seriously threatening their territorial and political integrity. Excesses were committed no doubt, as excesses are committed today; but to conclude therefrom that Gladstone's fantastic statements were veracious would be a deduction overcoming my faculty of comprehension and my ability of producing fair and impartial judgment.

The writer concludes:

Why then condemn the one and absolve the other? Would it not be wiser, after what Humanity has lived through and has seen during this Twentieth century, to renounce such unprovoked charges which perpetuate animosity and prevent the spirit of peace and of friendship to reign between men of good will?

With that sentiment, honourable senators, I entirely agree, but I should like to call the attention of the house to the exact words I used on the occasion in question. They are as follows:

As a young man I read with revulsion, as no doubt you did, of the massacres of the Armenians, in which more than a million people lost their lives.

I made no reference to Turkey, although impliedly the reference is there. However, having great respect for the Ottoman Empire, and fully appreciating the humanitarian qualities of the Turkish people, I would be pleased to hear that the history which I think we have generally accepted with regard to the massacre of the Armenians is uncorrect.

I assure the house and the Ambassador that I had no intention whatever of offending the sensibilities of the Turkish people or their representative in Canada. If, as I have indicated, my account of history is shown to be incorrect, I shall gladly withdraw my remarks so far as they concern Turkey.

I extend to the Turkish people and their representative in Canada my greetings and my appreciation of the attitude taken by them. Whether history is right or wrong, I am pleased to see that modern Turkey objects to the story which has been told in history about the massacre of the Armenians. I think it was Napoleon who once said that history is a romance upon which we are all agreed. I know now for the first time that we are not all agreed on this particular point, and I am pleased to concede it to the Turkish people.

Some Hon. Senators: Hear, hear.

UNEMPLOYMENT INSURANCE BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 332, and Act to amend the Unemployment Insurance Act, 1940.

Hon. Mr. Haig: Honourable members, yesterday I asked that this order be allowed to stand so that I might get certain information for which I had asked. I have received the information, and it is entirely satisfactory to me.

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

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

THIRD READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for third reading of Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

Hon. Mr. Haig: Honourable members, I do not intend to indulge in any lengthy remarks at this time. I spoke on the motion for second reading of the bill, and I am content with what I said then. However, I now propose to do what the honourable senator from Rosetown (Hon. Mr. Aseltine) says I do poorly. With the permission of the house I am going to read certain evidence which the President of the Canadian National gave before the committee the other day about the financial structure of the railway. The report of the committee is now in the hands of the printer, but I should like to place certain precise information on the record.

As I left the committee room on the morning in question, I met Mr. Gordon and his accountant in the corridor. I asked Mr. Gordon how long it would take to get out a written statement of the particulars he had given. He said it would probably take a little while. I outlined to him the particulars that I was interested in getting, and honourable senators who attended the committee will recall that when we met later that afternoon I put certain questions to Mr. Gordon, and he answered them.

I propose now to place on the record of the house the answers which Mr. Gordon gave. In that way the information will be readily available to senators who thirty or forty years from now may want to know what facts were made available to the committee in the session of 1952. Otherwise, the record might well be buried in the reports of committee proceedings, and our successors would not have the benefit of it. We all know that persons who want to know what happened in parliament at a given time, always look for it in *Hansard*. As an example of the need for a complete record I recently attempted to get certain information that was given to this house in 1937 on the question of write-offs and readjustments in connection with the railway and because of the failure of someone to have it placed on *Hansard* no record of what had taken place could be found.

Hon. Mr. King: Let me understand the position of the honourable leader. Does he propose to read and place on the record certain questions which he asked of the president, and the answers which he agreed to supply later to the leader opposite?

Hon. Mr. Haig: Yes. Between the morning and the afternoon meeting I met Mr. Gordon with other officials, and he stated that there would be a stenographic report—of which I have a copy—that would be printed. That is all very well, but ten years from now we may not be able to find the report.

Hon. Mr. King: What the honourable senator is about to read will be in the report?

Hon. Mr. Haig: Yes, sir. What I have here can be checked with the original transcription, but as the report covers many pages I am extracting only the clauses dealing with finance.

Hon. Mr. King: You are finalizing the report for *Hansard*?

Hon. Mr. Haig: That is all I am doing.

The Canadian National Railway commenced business as a united road on the 1st of January, 1923. The Canadian National Railway consisted of the Canadian Northern System, the Grand Trunk Railway of Canada, the Grand Trunk Pacific, the Intercolonial Railway, the Prince Edward Island Railway and the National Transcontinental.

The National Transcontinental and Grand Trunk Pacific were clear title owned by the Government of Canada and in the amalgamation were transferred clear of all encumbrances. The other three railroads, namely

the Canadian Northern Railway, the Grand Trunk Railway, and the Intercolonial had an indebtedness on the 1st of January, 1923, when they commenced business as the Canadian National Railway, of $804,503,144.

Of course, in addition to that the Dominion of Canada had spent $429,563,445.

If you will look at the examination of Donald Gordon, President of the Canadian National Railway, before the Banking and Commerce Committee on Bill 308, on June 20, 1952, you will find that these figures are covered in his answers to me. I then asked him the following questions:

Hon. Mr. Haig: What liabilities were assumed by the Canadian National Railways on the 31st of December, 1922, or the 1st of January, 1923, when the road was started?

Mr. Gordon: The debts held by the public at the time of consolidation—which I assume is what you have in mind?

Hon. Mr. Haig: Yes, sir.

Mr. Gordon: —which were assumed by the Canadian National Railway System totalled $804,503,144; and in addition to that the government had spent on Canadian Government Railways, which were included in the system, a total of $429,563,445.

Hon. Mr. Haig: During the years 1923 to December 31, 1951, what was the railway's total operating revenue?

Mr. Gordon: The grand total operating revenue from 1923 to 1951 was $9,009,111,688.

Hon. Mr. Haig: What were the total operating expenses for the same period?

Mr. Gordon: $7,920,224,664.

Hon. Mr. Haig: That left what net operating profit?

Mr. Gordon: The net operating profit was $1,088,887,024.

Hon. Mr. Haig: How was that figure disposed of?

Mr. Gordon: Perhaps I should put it another way: that made available for payment of our fixed interest a sum of $797,430,376. The difference between that amount and the $1 billion-odd which I just mentioned represents sundry payments in the form of rents, taxes and things of that kind. Perhaps I should complete the statement by pointing out that our actual requirements, or rather what we showed for fixed interest, was a total of $1,377,564,270, which produced an income deficit over the years we are talking about of a total of $580,133,894.

I should add—what is not in the record but was contained in Mr. Gordon's morning statement—that this sum is equivalent to $20,000,000 a year for twenty-nine years, namely from January 1, 1923 to December 31, 1951.

Mr. Gordon was asked by me about the write-offs in 1937. Chapter 22 of the statutes of that year provided that $1,218,642,195.27 should be transferred out of the indebtedness and adjustments of the Canadian National system. By the present bill we are transferring a further indebtedness, in the amount of $736,385,405, to the Government of Canada. In other words, these amounts have been written off as far as the company is concerned, and charged to the taxpayers.

If you will look at the publication, issued by the Dominion Bureau of Statistics, of the railway accounts as of December 31, 1951, you will observe that, after all operating revenue is taken into account, and operating expenses, rent, taxes, etc are deducted, there remains a total loss of $580,133,894. I am stating these figures so that there can be no misunderstanding about what the road has actually cost,—as Mr. Gordon has said, about $20,000,000 a year for the past twenty-nine years.

I stated on second readng, and I repeat, that Mr. Gordon's answer to my question, whether he thought this provision would put the road in a position to operate and pay expenses, including interest owed each year on the balance of the debt, was "yes". It is true that he added, after questions by some members, that of course it depended upon economic conditions in the country, and freight rates, which must be based on the cost of wages and materials entering into the operation of the road, but he felt that this final write-off would put the company in a position where it could put up a battle to operate a successful corporation.

I may point out to the house that apart from the write-off, which is a transfer of the debt from the Canadian National Railway to the Canadian taxpayer, there is the further condition that, unless the company earns enough to pay it, there wil be no interest on $100 million, which remains outstanding, in the next ten years.

Honourable senators, I support this bill on the understanding given by Mr. Gordon, that he is convinced that the road, given reasonable freight rates, can be operated as a going concern without any further demand on the treasury of Canada. I hope this is true, and I feel that the employees of the Canadian National Railways will do their part to make the road a success.

Some Hon. Senators: Hear, hear.

Hon. Mr. King: Honourable senators, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 25, 1952

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

Prayers and routine proceedings.

DIVORCE STATISTICS 1952

FINAL REPORT OF COMMITTEE

Hon. W. M. Aseltine: Honourable senators, at this time of the session, when the work of the Standing Committee on Divorce has been completed, it is usual for the chairman to present a final report covering the work done during the session. I have pleasure today in submitting that report, which contains certain statistics and is similar to reports filed in other years, particularly in 1951. It is not usual to have the report adopted; it is merely filed and printed in the record so that the information it contains will be available to the public.

With leave of the house, I shall now read the report.

The Standing Committee on Divorce beg leave to make their 325th report, as follows:

For the present session 372 petitions for bills of divorce were presented to the Senate and dealt with by the Standing Committee on Divorce, as follows:

Petitions heard and recommended	313
Petitions heard and rejected	2
Petitions withdrawn	7
Petitions not proceeded with	50
Total	372

Of the petitions recommended during the present session of parliament, 89 were by husbands and 224 were by wives.

Of the petitions recommended, 3 were from petitioners domiciled in the Province of Newfoundland and 310 were from petitioners domiciled in the Province of Quebec.

The committee held 41 meetings. On 29 days the committee functioned in two sections.

In 20 cases the committee recommended that part of the parliamentary fees be remitted.

The fees paid to parliament for bills of divorce heard and recommended during the session of 1952 amounted to $63,730, being approximately $5,040 more than in 1951.

Assuming that all bills of divorce recommended by the committee, now in various stages before parliament, receive Royal Assent, the comparison of dissolutions of marriage granted by parliament in the last ten sessions is as follows:

1944	111
1945	179
1946	290
1947	348
1947-48	292
1949, 1st session	184
1949, 2nd session	166
1950	240
1951	294
1952	313

Hon. Mr. Grant: It is getting worse.

Hon. Mr. Aseltine: Last year the honourable senator from New Westminster (Hon. Mr. Reid) asked me what were the religious affiliations of those receiving parliamentary divorces, and I was unable to give him an accurate answer. This year the clerks of the committee have kept a full account of this information, so this year I am able to supply that information.

The religious denomination of the petitioners and respondents for the present session is as follows:

	Petitioners	Respondents
Roman Catholic	82	88
Anglican	76	57
Jewish	44	43
United Church	43	42
Presbyterian	30	26
Other or not stated	47	66

Statistics covering the number of divorces granted in the whole of Canada during the years 1947 to 1951, both inclusive, are as follows:

	1947	1948	1949	1950	1951
Canada	8,199	6,881	5,934	5,373	5,163
Prince Edward Island	18	49	20	13	10
Newfoundland				5	4
Nova Scotia	207	78	181	199	187
New Brunswick	236	211	202	194	156
Quebec	348	292	350	234	290
Ontario	3,509	3,107	2,396	2,228	2,002
Manitoba	665	477	411	309	361
Saskatchewan	509	333	289	280	226
Alberta	881	651	594	534	589
British Columbia	1,826	1,683	1,491	1,377	1,339

The following statement shows a comparison between the number of divorces granted to husbands and wives respectively in the years mentioned:

	Husbands	Wives
1947	3,539	4,660
1948	2,643	4,238
1949	2,259	3,675
1950	2,100	3,273
1951	2,010	3,153

Your committee makes the same recommendation that it made in the 1950 and 1951 reports. It regrets that parliament has not seen fit to solve the problem of parliamentary divorce by setting up suitable courts or tribunals before which the numerous cases from Quebec and Newfoundland could be heard. It is to be hoped that something will be done in that regard in the near future.

All which is respectfully submitted.

Honourable senators, having presented my report, I should like to make a few general remarks without going into the matter of divorce as fully as I did last year. If honourable senators care to read the debates of the first session of 1951, at pages 648 and following, they will find there my ideas and suggestions on the various phases of this question. I do not intend to repeat those thoughts today.

Perhaps I should comment on one suggestion I made last year as to the printing of the reports of the committee. As honourable senators know, some 400 copies of each report are printed. These, except for a few extra

copies which go to the litigants, are distributed to the members of the other house and members of the Senate. I was of the opinion that perhaps something could be saved by printing, say, only 50 copies, because it seems that many of the members of the House of Commons do not read the reports anyway. I am informed, however, that the cost of printing 400 copies is very little more than the cost of setting the type for and printing one copy. I understand that the additional copies involve only about one extra hour of labour and the small cost of the paper used. So, apparently little could be saved by printing fewer copies.

I dealt last year with the supreme jurisdiction of parliament, the care that the committee takes in dealing with the custody of children, the costs of parliamentary divorces, the McMeans Bill of 1938, the suggestion that a Royal Commission should be appointed to deal with this whole question, and the delay in passing bills through the other house. I am pleased to note that this year the delay there has been largely eliminated and that the bills were dealt with as they arrived. In that way there was not the usual pile-up which has occurred in previous years.

Before concluding, I should like to sincerely thank the legal members of the committee for the support they have given me throughout the session. During the first month we sat six days a week; following the Easter recess we sat Mondays, Tuesdays and Fridays; and during the past month we sat only on Mondays and Fridays. There was not one occasion when we lacked a quorum, and there was always a legal member from the chamber to act as chairman, even when the committee sat in two sections. On Fridays and Mondays the honourable leader of the opposition (Hon. Mr. Haig) assisted. We also had such able chairmen as the honourable senators from Toronto-Trinity (Hon. Mr. Roebuck), Vancouver South (Hon. Mr. Farris), Carleton (Hon. Mr. Fogo) and Calgary (Hon. Mr. Ross). All of these gentlemen gave valuable assistance, but we could not have carried on but for the faithful attendance of laymen on the committee—men like Bill Golding, R. B. Horner, Jack Stevenson, Dr. Howden, Dr. Gershaw J. J. Kinley, A. B. Baird, and George H. Barbour. There are some whom I cannot unreservedly congratulate—the honourable senator from Wellington (Hon. Mr. Howard)—

An. Hon. Senator: And Waterloo?

Hon. Mr. Euler: Order.

Hon. Mr. Aseltine: —and perhaps also the honourable senator from Waterloo (Hon. Mr. Euler)—although when we were badly in need of additional members we could depend on them. In general, the members of the committee faithfully attended day after day. Again let me compliment them and tell them that without their assistance it would have been absolutely impossible to have got through all this work.

I also wish to express my thanks to the Chief Clerk of Committees and his assistants for their valuable co-operation, without which we would not have been able to continue the work day after day. Nor must I forget the members of the Reporting Staff, who attended the hearings to take down the evidence, and who, with their amanuenses, worked long hours in transcribing their notes and preparing the copy for the printers.

As is generally known, I intended to vacate the chairmanship last year, but so much pressure was brought to bear upon me after the Christmas recess that I decided to continue in the position for another year, in the hope that some change would be made which would remove these duties from parliament altogether.

There is one other matter to which I would refer before I resume my seat. The judges of our courts, no matter what their religious beliefs may be, hear and decide divorce cases. I believe that any member of this chamber, whether he belongs to the Roman Catholic, the Anglican, or any other church which is opposed to divorce, should be ready to take part in this work, and I include non-lawyer senators as well as lawyers. It is every senator's duty to sit on any committee to which he is appointed, and I do not think that religious beliefs should be accepted as a reason for non-participation. If, therefore, the Senate is required again next year to deal with these matters, it is to be hoped that members of the faiths I have mentioned will do their part.

If there are any questions I shall do my best to answer them.

Hon. Mr. Euler: I would like to know from the honourable senator—who, I think, has done a very good job indeed—whether he has some suggestion to make as to how parliament could be relieved of this work.

Hon. Mr. Aseltine: I did not repeat the substance of what I said on this matter last year, because I then stated that on various occasions I had given my views. I have been a member of this committee since 1934, and perhaps I was the first person to suggest that these divorce petitions be trans-

ferred to the Exchequer Court; at any rate, I raised the point shortly after I became a member of the committee. I have also suggested that a proctor or a committee of proctors be appointed to take the evidence in these cases so that senators would not be obliged to sit for hours at a time six days a week in the committee room downstairs listening to witnesses. The proctor or proctors could take the testimony and recommend whether the petition should be granted or not; then the Divorce Committee could sit as a sort of court of appeal and, in cases where it saw fit, bring in bills of divorce and have them passed through parliament in the usual way. Apparently that suggestion did not meet with the approval of the government. Apart from that and the other suggestion I mentioned, and the recommendation that a royal commission be appointed to investigate the whole question of divorce, including parliamentary divorces, I have no solution to offer.

Hon. Mr. Hugessen: Honourable senators, the leader of the house (Hon. Mr. Robertson) is absent for a few minutes, but I do not think he would want me to let this occasion go by, and I am sure the Senate would not want it to pass, without an expression of our very deep appreciation of the work done by the Divorce Committee, and particularly by the chairman of that committee.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: I think we all realize —and the statement which the chairman has just made emphasizes the point—that the work done by the members of the committee is most exacting and most unpleasant. We owe them a great debt of gratitude for taking on themselves this duty, which unfortunately, under present conditions, this branch of parliament is called upon to perform.

Some Hon. Senators: Hear hear.

Hon. Mr. Grant: I would like to say one word. The chairman of the Divorce Committee brought up a question of religion: he stated that Catholics should serve on this committee if they were asked to do so. I just want to say that if every member of this body were a Catholic that would be the solution—there would be no divorce committee.

INTERNATIONAL BOUNDARY WATERS TREATY BILL

REPORT OF COMMITTEE

Hon. Mr. Farris, Acting Chairman, presented the report of the Standing Committee on Banking and Commerce on Bill 333, An Act to amend The International Boundary Waters Treaty Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to which was referred Bill 333, an Act to amend The International Boundary Waters Treaty Act, have in obedience to the order of reference of June 17, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, now.

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

SALACIOUS AND INDECENT LITERATURE

REPORT OF COMMITTEE

Hon. Mr. Doone presented and moved concurrence in the report of the Special Committee appointed to inquire into the sale and distribution of salacious and indecent literature in Canada, as follows:

The Special Committee appointed to inquire into the sale and distribution of salacious and indecent literature in Canada begs leave to report, as follows:

1. In obedience to the order of reference of May 8, 1952, your committee held six meetings, at which twenty-five witnesses were heard. Briefs, recommendations and resolutions numbered in the hundreds and representing millions of Canadian citizens were received. Individual letters reached heavy proportions. In this respect an intense public interest was displayed, one letter alone being endorsed with a thousand signatures. Church officials and religious groups of all faiths tendered enthusiastic approval of the committee's work. Social, civic and business organizations in all parts of Canada commended your committee on the work in progress. The press gave a generous and sustained support in publicizing proceedings. Your committee wish to extend its keen appreciation to all co-operating in its efforts.

2. Through the testimony given and through communications received your committee has been made abundantly conscious of the seriousness of the problem under investigation and the timeliness of the inquiry. Minutes of proceedings which are available for distribution give arresting proof of these features.

3. Your committee at its inception realized that the time factor and available facilities would be deterrents to a complete survey during the present sitting of parliament. The energy and co-operation, however, of the reportorial and stenographic staffs made a gratifying progress possible, but time did not permit of an exhaustive or comprehensive study. Many organizations, national in character, expressed a desire to be heard after conventions planned for the summer months. Distributors also wish to give testimony. For these reasons no definite findings can be reported at this time.

4. Your committee, therefore, recommends that at the earliest possible date, during the next session of parliament, a committee similarly constituted be appointed to carry on the investigation authorized under the present order of reference. The enthusiasm and interest exhibited by the people of Canada in the aims of your committee, and the importance of the inquiry from the standpoint of national good, emphasize the necessity of reaching conclusions from which corrective measures may be taken. Such measures should be instituted with a minimum of delay.

The motion was agreed to, and the report was adopted.

MARINE AND AVIATION WAR RISKS BILL

SUBJECT MATTER REFERRED TO COMMITTEE

Hon. A. K. Hugessen: Honourable senators, on behalf of the leader of the government (Hon. Mr. Robertson), I wish to move:

That the Banking and Commerce Committee be authorized to examine the subject matter of Bill 336, an Act respecting Marine and Aviation War Risks Insurance and Reinsurance Agreements, presently before parliament, in advance of the said bill reaching the Senate, and that the said committee be authorized to send for persons, papers and records.

I have a similar motion in precisely the same phraseology with respect to a second bill.

As these two bills have not yet reached this house, it would appear that if we wish to reach an early prorogation of parliament it will be necessary for us to adopt the same policy adopted towards the end of other sessions, and to consider the subject matter of bills even though the bills have not yet formally come before us. If these two resolutions are adopted and the Standing Committee on Banking and Commerce gives consideration to the subject matter of these bills, the only remaining legislation to come before this house will be the Redistribution Bill and the legislation to provide pensions for members of the other house.

The motion was agreed to.

CURRENCY, MINT AND EXCHANGE FUND BILL

SUBJECT MATTER REFERRED TO COMMITTEE

Hon. Mr. Hugessen: Honourable senators, on behalf of the leader of the government, (Hon. Mr. Robertson), I move:

That the Banking and Commerce Committee be authorized to examine the subject matter of Bill 390, an Act respecting Currency, the Royal Canadian Mint, and the Exchange Fund, presently before parliament, in advance of the said bill reaching the Senate, and that the said committee be authorized to send for persons, papers and records.

The motion was agreed to.

NORTH ATLANTIC TREATY

MOTION FOR APPROVAL OF PROTOCOL

Hon. A. K. Hugessen moved:

That it is expedient that the Houses of Parliament do approve the protocol to the North Atlantic Treaty, signed at Paris on May 27, 1952, extending the guarantees of Article 5 of the Treaty to the European Defence Community, and that this house do approve the same.

He said: Honourable senators, this resolution, which is similar to one already adopted by the other place, seeks approval by the Senate of a document known as a protocol to the North Atlantic Treaty. I do not think I need read this protocol in detail. It has already been circulated among all honourable members, but in order to enable them to appreciate its import, I should like to refer to the North Atlantic Treaty itself, which was approved by this parliament three years ago.

The parties to the North Atlantic Treaty were the United States, Great Britain, Canada, France, Belgium, Italy, Luxembourg, and the Netherlands. I think the nub of the whole treaty is to be found in Article 5, which reads as follows:

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attached by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

As was pointed out at the time, Article 5 of the North Atlantic Treaty meant, so far as Canada was concerned, that we became responsible with all the other countries parties to the treaty for defence against any attack made upon any one of those countries.

Then a few months ago, as the house will recall, Greece and Turkey became parties to the North Atlantic Treaty, and the provisions of the treaty with regard to attacks upon them are expanded to include those countries, and Article 6 of the treaty was amended to incorporate the territorial limits of Greece and Turkey. Article 6, which immediately follows Article 5, now reads thus:

For the purpose of Article 5, an armed attack on one or more of the parties is deemed to include an armed attack—

(i) on the territory of any of the parties in Europe or North America, on the Algerian Departments of France, on the territory of Turkey or on the islands under the jurisdiction of any of the parties in the North Atlantic area north of the Tropic of Cancer;

(ii) on the forces, vessels, or aircraft of any of the parties, when in or over these territories or any other area in Europe in which occupation forces of any of the parties were stationed on the date when

the treaty entered into force in the Mediterranean Sea or the North Atlantic area north of the Tropic of Cancer.

The present protocol which amends and extends the North Atlantic Treaty arises out of the meeting at Lisbon last spring of the members of the North Atlantic Council. Honourable senators are well aware of what transpired at the Lisbon meeting. As a result of that meeting three vitally important steps were taken for the furtherance of the defence of the western hemisphere.

The first was the signing, on May 26, in Bonn, Germany, by the Foreign Ministers of the United Kingdom, the United States, and France, on the one hand, and by the Chancellor of the German Federal Republic, on the other, of an agreement comprising a convention on relations between the three Great Powers and the German Federal Republic, with a lot of related documents. That, in effect, was the treaty of peace between the German Federal Republic and those three Great Powers. I do not think the house will expect me to go into the details of that agreement, which are very long and very complicated, but perhaps I should point out that under that treaty the Government of Germany undertakes, by article 4, to participate in the European Defence Community, in order to contribute to the common defence of the free world. So much for the peace contract with Germany.

The second very important thing that was accomplished as a result of the Lisbon conference was the signature in Paris, on the 27th of May, of a treaty establishing the European Defence Community. By the provisions of that treaty the governments of France, Italy, Belgium, the Netherlands, Luxembourg and the German Federal Republic agree to set up a European army, purely defensive in character, which will be under the operational command of the North Atlantic Treaty Organization Commander. Within the framework of the North Atlantic Treaty this new treaty seeks to ensure the security of the states which have signed it. Honourable senators will realize from the list of the countries members of the European Defence Community, which I have read, that they comprise all the European members of the North Atlantic Treaty Organization plus the German Federal Republic.

The third very important thing which resulted from the Lisbon conference was the signature, on May 27, in Paris of this protocol to the North Atlantic Treaty, the protocol which we are now asked to approve. Article 1 of this protocol reads:

An armed attack

(1) on the territory of any of the members of the European Defence Community in Europe or in the area described in Article 6(i) of the North Atlantic Treaty,

which I read a moment ago.

or (ii) on the forces, vessels or aircraft of the European Defence Community when in the area described in Article 6 (ii) of the said treaty,

which I also read a few moments ago

shall be considered an attack against all the parties to the North Atlantic Treaty, within the meaning of Article 5 of the said treaty, and Article 5 shall apply accordingly.

In practice, what that means to us in Canada is this. By this protocol we extend our commitments and consider an attack on the German Federal Republic as an attack upon ourselves, under Article 5 of the North Atlantic Treaty, just in the same way as we now consider an attack upon Greece or Turkey or France or any of the other countries of the North Atlantic Treaty Organization as an attack upon ourselves. I do not deny, honourable senators, that this is a most important extension of our international obligations.

Hon. Mr. Reid: May I ask if West Germany has agreed to this?

Hon. Mr. Hugessen: These are all, in the stages in which the governments have agreed to them, subject to ratification by their parliaments.

Perhaps, however, this extension of our liabilities is not quite so large as might appear at first glance, because Canada already has forces stationed in West Germany, and under Article 6 (ii) of the North Atlantic Treaty, which I read a few moments ago, we already have to consider as part of the territories in whose defence we must participate in case of attack, any territories in which our occupation forces are situated.

That is Article 1 of the protocol.

Article 2 of the protocol states that the protocol shall come into force as soon as each of the parties has notified the Government of the United States of America of its acceptance, and the Council of the European Defence Community has notified the North Atlantic Council of the entry into force of the treaty setting up the European Defence Community.

Honourable senators, in substance that is the purport of this protocol which extends the international commitments of Canada, and indeed of all the other members of the North Atlantic Treaty Organization, to include an attack upon the territory of the federated state of Germany.

This protocol may be described, perhaps, as one of the stones in the building which the Western democracies are in process of erecting in an attempt to protect themselves against the possibility of attack from Soviet Russia. This protocol which we are now asked to approve, and the other agreements and treaties to which I have referred, mark the response of free men to the threat of a common danger, they offer a reasoned hope that in union will be strength.

I do not think I should stop there, however, without pointing out to the Senate that we must not lose sight of the fact that as yet these are merely agreements on paper, and there will be much to do before they are translated into the realities of effective defence.

I understand that the Parliament of Canada is the first parliament which is being asked to give its approval to this protocol. Ratification of all these agreements is the next step. As the honourable senator from New Westminster (Hon. Mr. Reid) pointed out, they will of course have to be approved by the parliaments of the different countries concerned, and that may be a long and perhaps a difficult process. But it is expedient that the impetus towards European integration within the Atlantic community to which these agreements have given rise, should not now be weakened. That is the reason why the Senate is now being asked to approve this protocol.

Hon. John T. Haig: Honourable members, I do not intend to oppose the resolution; in fact, I am in favour of it. I have, however, one or two observations to make.

First, we must realize that Canada is taking on a further obligation. Conditions of the world are no better—indeed, they may even be worse—than they were when we assumed the original obligation under the Atlantic Treaty Organization. I am sure I speak for the majority when I say that we understand that by this protocol we are making an agreement with the forty million people of Western Germany, a strong, willing and hard-working race, ready to rehabilitate themselves, and that we are inviting them to join our United Nations Organization.

We are somewhat in the same position today as we were in 1942, when Germany declared war on Russia. We then had to decide which of the two countries we would support; and along with the United States and the United Kingdom we chose to support Russia in her defence against Germany. Again we are now making a choice: we would rather have Germany in our circle than Russia. Perhaps I am putting the whole set-up on too simple a basis, but in the long run that is what it gets down to. Personally, I would rather have Germany on my side than Russia. I know that the German people who have settled in Canada have, with few exceptions, made very fine citizens.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, I can understand how the German people were led into two world wars, for they are more susceptible to leadership of the wrong kind than are the people of many other nations we know of. I am wholeheartedly in support of the resolution.

I have one other thought, though it may seem to be drawing one nation in by the heels. I do not like the criticism of the United States that is coming from some of the free nations because she has made a major attack on North Korea, and the demand by those nations that they be consulted. We all know that 95 per cent of the United Nations' effort in Korea comes from the people of the United States.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, I not been for the actions of the United States, we would now be slaves of Russia. As a Canadian and a member of the Senate of Canada, with all the responsibility that carries, I say that we should stop sniping at the United States and stop challenging her strategy in Korea, unless we are prepared to step in and support her, soldier for soldier. You and I know the people of the United States, and we know that in spite of their little quirks and follies they are fundamentally as strong for freedom as we are. Indeed, they fought one of the most bitter civil wars in the history of the world over that very issue, and the effects of it have not yet died out in their country. We as Canadians ought to be thankful that we have such people as our neighbours.

If I may digress once again, I may say that those of us who were in committee this morning heard of the work being done by the International Joint Commission, a body composed of representatives of Canada and the United States. The fact is that from 1911 to date the members of that commission have settled all questions but one which have come before them. Only once in forty-one years have they failed—and one man said that it was a good thing they did not try to use force to reach agreement at that time.

I congratulate the honourable deputy leader of the government (Hon. Mr. Hugessen) on his address. He has, I think, stated the case fairly. I wholeheartedly support his position, and I ask him to support my stand that we,

as Canadians, are not being fooled by what is happening; we are not entering into this agreement merely to make good fellows of ourselves. We are joining with other nations in this treaty in the full knowledge that your boy or my boy may some day be called upon to defend our cause and carry out the promises we are now making. Fully realizing that tremendous responsibility, I am sure that every Canadian would rather face the issue before us than be subjugated and suffer the domination of Russia as Czechoslovakia, Poland and Roumania have done.

If any one needs further evidence of Russia's domineering attitude, just let him attend the meetings of the United Nations for a couple of months, and I defy him to come away with any other feeling than that Russia is out to destroy peace and good will in the world today. If simple-minded people need to be persuaded that the acceptance of Russia's propaganda would not bring peace, let them explain why it is that as soon as a country falls under communistic domination it launches an attack against the representatives in that country of religious denominations from other countries. No one can convince me that the Christian missionaries in China and other communistic countries are bad people. They are more willing than most of us to sacrifice their lives to spread the gospel. It is these people who are the first to be attacked. That is the policy today in China, as it has been in Europe, whenever and wherever the Communists gain control. In religion lies the only hope of salvation for the world, and while I have nothing but praise for the way in which the United States, Great Britain, France and other countries are preparing for the struggle which may be ahead, unless mankind believes in a higher power, all these defensive measures will be of little avail. It is because Russia knows the real source of the power opposed to her that these attacks are going on.

I welcome the action of the government in coming to the assistance of Germany, as I am sure the German people will stand 100 per cent behind the undertaking.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS CAPITAL REVISION BILL

THIRD READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the third reading of Bill 308, an Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

Hon. J. H. King: Honourable senators, it is not my desire to prolong this discussion or to occasion further debate on the bill which is before us. We had an opportunity on the 20th of this month, in the Banking and Commerce Committee, to meet and hear Mr. Gordon, president of the lines which we now know as the Canadian National Railways. I think the outcome of the meeting was highly satisfactory to members of the committee. Mr. Gordon was careful. He made no great promises. He indicated his belief that under the present proposed financial set-up the railway could, in the next few years, not only justify its building and its use, but show a profit. That of itself must be encouraging to the people of Canada.

I have read the debate in the other place, and have tried to familiarize myself with the spirit and the opinion of the members there. One may fairly say that there was a feeling that the government, in the bill presented to parliament, was doing what should be done in the matter of this great problem which has faced the Canadian people. That being so, there is no great advantage in prolonging the discussion.

I wish only to say one thing, and I do so because we here are of fairly mature age, and many of us remember when the proposals for the present system were made in the House of Commons and in the provincial legislatures, and how they were received. Many people were then optimistic enough to pledge not only the credit of the dominion but also of the provinces. They may have been wrong or their confidence may have been misplaced. However, I am not of that opinion. I think that these railways should be looked upon as an embodiment of the pioneering spirit of the Canadian people.

Fifty years ago, as we know, the Canadian Pacific Railway received a charter, with the moderate subsidy of $11,000 a mile, to build the Crowsnest Pass line shortly after the construction of the main line of the railroad. Everyone is aware of the great development which followed in that section of British Columbia and of the wealth which has been produced there. So, although to ordinary individuals the millions of dollars which were required to build, amalgamate and bring under one management the Canadian National Railways seem startling when set out in print, I believe they were the best investment the people of Canada could have made, and that in the course of a very few years the expenditure will have been justified.

It may be that the railway age has passed. That seems to be so in some countries. But in the broad domain from Halifax, say, to

Vancouver, railways will always be necessary for certain kinds of traffic. No doubt the railways will suffer greatly through the advent of motor traffic and good highways, and as we read today of great bodies of men, with arms and supplies, being moved long distances to the battlefields, we get some indication of the commercial possibilities of air transportation. It follows that the airlines will be highly competitive with the railways.

But as Canada grows and develops, rail transportation will continue to be needed, and I am satisfied that we as a people have made no mistake in amalgamating these railways and making them the property of the Canadian people. So, I repeat, it is my belief that the course taken and the policy of the government under this bill will justify what has taken place heretofore in regard to these matters.

Hon. J. W. Stambaugh: Honourable senators, I heartily agree with what the honourable senator from Kootenay East (Hon. Mr. King) has just said with regard to our national railways. I believe they have paid this country good dividends through their management and the contribution they have made to the building up of Canada. I am in hearty agreement with this bill for the recapitalization of the Canadian National Railways, and I am only sorry that this course was not taken years ago.

One of my chief reasons for speaking today is to comment on some statements which were made last Monday in the debate on this bill by the honourable senator from Blaine Lake (Hon. Mr. Horner). When honourable senators have heard what I have to say, they will realize that I disagree very much with the honourable senator's opinion of Sir Henry Thornton. I know something about how these railroads were built. I helped to build them. I worked on the old Canadian Northern and on the grade of the Grand Trunk Pacific; I have also worked on several branch lines of the Canadian Pacific Railway. I know that the Canadian Northern was built in a manner which was not proper. I learned, not at the time but later on, that in many cases the grades were too sharp for fast traffic. To build a grade which will carry heavy traffic you cannot just pile dirt on top of the sod, because the sod will rot, and if the grade is low, the sod must be removed. On the Canadian Northern Railway we piled up as little as a foot of dirt on the top of the sod, and we dug ditches right down tight to the roadbed. So, when heavy traffic came over it there was no "berm" to hold it; it settled down and spread out. That was the condition of the Canadian Northern Railway.

On the Grand Trunk Pacific it was different. Where the fill was low, we had to remove a foot of sod off the top of the ground. Sometimes we wasted this away and sometimes we put it into the deeper fills. The curves on the Grand Trunk Pacific were made to handle fast traffic, the top being sixteen feet wide rather than fourteen feet. That road was well built. Perhaps it cost too much money; I cannot say as to that. I can say, however, that the G.T.P. roadbeds I worked on were properly built, the curves not being too sharp.

I am giving this information to illustrate the condition of the railroad when Sir Henry Thornton took over. It was a conglomeration of bankrupt, inefficient and un-co-operative railways without any one head. The morale of the employees of the railroad was at about as low an ebb as possible. Under Sir Henry's management, the railway became a single, efficient operating system, a worthy competitor of the C.P.R., and at the time of his resignation, the morale of the employees from sectionmen to superintendents was the highest in its history. I do not know a single employee of the C.N.R. who does not hold the memory of Sir Henry Thornton in the highest esteem. In the stations at all main terminals on the line plaques are to be found that have been erected in his memory by the employees of the C.N.R. Each year groups of employees places wreaths on these plaques. Certainly this is proof that they honour and respect his memory. I never saw the president of a corporation or institution who was held in such high esteem by his employees. Unfortunately, because of the load of debt under which the Canadian National laboured, no amount of management could meet the operating expenses and pay the fixed charges.

At this time I should like to place on record something of the history of Sir Henry Thornton. To begin with, he was a civil engineer, and his first experience in railroading was gained on the Pennsylvania Railroad. Immediately preceding his appointment to the Canadian National Railway, Sir Henry was general manager for eight years of the Great Eastern Railway in England, a position which he occupied with distinguished success.

During his railway service in the Old Land, Sir Henry gained the reputation of being one of the ablest and most eminent railway executives in Great Britain. Even before that he had shown great executive ability. In 1916, he was Deputy Director of the Department of Inland Water Transportation, which handled all the inland navigation in northern France, Egypt and Mesopotamia. In 1917, he was appointed Deputy Director General of Railways, with headquarters in

Paris, and in this capacity he represented the British, French, Italian and United States governments in matters relating to transportation. In 1918, he was promoted to the position of Inspector General of Transportation and had full charge of all army transportation on the European continent.

During Sir Henry's residence in Britain he became a naturalized British subject, and was knighted for his war work by the British Government. He was also honoured by other nations, receiving the Legion of Honour from France, the Order of Leopold from Belgium, and the Distinguished Service Medal from the United States.

I should like to make one further observation about the operation of the Canadian National Railways before the time of Sir Henry Thornton. Years ago I was an employee of a grain company, and together with another person I was asked to inspect five grain elevators which were up for sale on the Canadian Northern Railway line. The party who owned these elevators was also interested in another business, where he thought he could use his money to greater advantage. We found that the business of these elevators was good, and that the district in which they were located was putting more acreage in grain every year and that business promised to get better and better. The elevators had been properly constructed and were in excellent condition. We made our report, and the manager of the grain company said to us, "Well, boys, the only thing I have against these elevators is that they are on the Canadian Northern Railway. If they were on the C.P.R. I wouldn't hesitate to buy them". That same company used to ship grain over the Canadian Northern to Camrose and then over C.P.R. to the head of the lakes. That is just an illustration of the conditions under which the Canadian Northern was operating when Sir Henry took over. But this sort of thing was all over and done with before he resigned. The same manager of this grain company—and incidentally he later bought those five elevators —told me that the operation of the Canadian National was equal and in some cases superior to that of the Canadian Pacific. I just wanted to give the house something of Sir Henry's record.

At the time of Sir Henry Thornton's death, A. F. Whitney, who was president of one of the great national unions of the federation of railwaymen in the United States, said:

> The more than 2,000,000 railway employees in the United States and Canada were most deeply grieved to learn that their friend, and the friend of the common people generally, Sir Henry Thornton, had been suddenly called from our midst . . . The efforts and accomplishments of his life are an indestructible monument of service and friendship to society generally.

S. J. Hungerford, Acting President of the Canadian National Railways, at the time of Sir Henry Thornton's death, said:

> Officers and employees, regardless of their position, join me in expressing regret at the passing of Sir Henry Thornton. He inspired confidence and loyalty in those who worked with him, and he was as much interested in the welfare of the humblest worker as in that of the highest officers.

Hon. Mr. Robertson: Honourable senators,—

The Hon. the Speaker: Honourable members, I would remind the house that if the honourable the leader of the government (Hon. Mr. Robertson) speaks now the debate will be closed. Any honourable member who may wish to speak on the motion before the house should do so now.

Hon. Mr. Isnor: Honourable senators, before the leader of the government closes the debate I wish to say how pleased I am that the leader of the opposition (Hon. Mr. Haig), notwithstanding the remarks he made on a previous occasion, has placed on record his approval of this bill. He has quoted figures which were given to the Committee on Banking and Commerce last Friday, and confirmed figures already on record. I am indeed pleased that the leader of the opposition has given his approval to this refinancing.

Hon. Wishart McL. Robertson: Honourable senators, I have nothing to add to the discussion of the subject matter of this bill, but I do not think that one in my official capacity should let the occasion go by without making some reference to the very caustic remarks of the honourable senator from Blaine Lake (Hon. Mr. Horner) about Sir Henry Thornton, Mr. Vaughan, Mr. Donald Gordon and General McNaughton. I must confess some little surprise at the nature of those remarks, because I should have thought that after the results of the recent Saskatchewan election my honourable friend would have been in a little happier frame of mind.

Other senators have dealt with the policy and the record of the late Sir Henry Thornton, and it is not necessary for me to add to what they have said. Mr. Vaughan made in the press a most effective retort to the attack upon him. Mr. Donald Gordon and General McNaughton have recently been before a committee of the Senate, and I am convinced that our colleague from Blaine Lake would have much difficulty in convincing anyone who heard those gentlemen there that wise and capable services had not been available to the government of Canada since the passing of the commission which administered the Canadian National Railway from 1930 to 1935. Our colleague from Blaine Lake was himself a distinguished member of that commission, and, from what I know of him, I am sure

that he rendered a very great service to the railway at that time.

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

WAR VETERANS ALLOWANCE BILL

SECOND READING

Hon. G. P. Burchill moved the second reading of Bill 181, an Act respecting allowances for war veterans and their dependents.

He said: Honourable senators, this measure is intended to replace the War Veterans Allowance Act of 1930, which honourable members will recall was passed to provide benefits to war veterans who were not pensionable. Down through the years since 1930 many amendments have been made to extend the benefit and broaden the scope of that Act, as became necessary from time to time. It has been thought desirable to place all these amendments in a more logical sequence, and the first object of the bill now before us is to streamline the legislation.

In addition, while the principle of the original legislation is not changed, the bill makes three important extensions of the benefits payable to veterans of the class covered by the Act. First, it increases the maximum allowance to a single veteran from $485 to $600, and to a married veteran from $850 to $1,080. Secondly, it raises the permissible income for a single veteran from $600 to $720, and for a married veteran from $1,100 to $1,200. Thirdly, it provides that the remuneration of a veteran from temporary employment shall be considered on a monthly basis rather than by the year. The purpose of this is to encourage older veterans to take temporary employment, say by the month or two months, the pay for which will not affect his permissible income for other months. For instance, if a man takes a job in the month of January and the job does not run over into February, the money he earns will not affect his pension for February.

Honourable senators, these are the major changes made by this bill.

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

THIRD READING POSTPONED

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

Hon. Mr. Robertson: Honourable senators, at this stage of the session I am anxious to expedite legislation as much as possible, but I do not want any senator to feel that because of these circumstances he may be prevented from getting any additional information which he requires. There are four or five related items on the Order Paper for third reading and I am entirely in the hands of the Senate as to whether or not they should be proceeded with today.

Hon. Mr. Haig: Honourable senators, I would prefer to have these orders stand for third reading to-morrow. The committee of the other house which recommended this veterans legislation was composed entirely of veterans, and as a non-veteran I would not want to put my opinion against theirs. I agree with the honourable senator from Northumberland (Hon. Mr. Burchill) that the amount involved in this particular measure before us is not too large, but I am not an authority on the subject. I think that the veterans legislation should stand for third reading to-morrow.

Hon. Mr. Reid: Honourable senators, I have nothing to say about the bill, but, arising out of the remarks of the leader opposite, I should like to point out that the opinion seems to be getting broad—and it emanates largely from the other place—that only veterans are competent to consider veterans' affairs. I am a non-veteran, but as a former member of the special committee on veterans affairs in the other place, I have as much sympathy for the returned man as anyone. Just to clear the air, I think it should be said that non-veterans, both in the other place and here have done as much for the welfare of returned soldiers as have those members and senators who saw service.

Hon. Mr. Robertson: Third reading to-morrow.

The Hon. the Speaker: The bill stands for third reading at the next sitting.

VETERANS BENEFIT BILL

SECOND READING

Hon. Mr. Burchill moved the second reading of Bill 182, an Act to amend the Veterans Benefit Act, 1951.

He said: Honourable senators, this bill merely extends for another year the Veterans Benefit Act passed last year to provide for the care of veterans of the Korean campaign. In the hope that things might look brighter at this time, the Act was made effective for one year only. It is now deemed desirable to extend the benefits under the Act for another year.

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

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

Hon. Mr. Robertson: Honourable senators, in asking that this bill be allowed to stand

for third reading to-morrow I may say that I intend to follow the same course with respect to the subsequent bills having to do with veterans legislation; and if any honourable senator wishes a piece of legislation to go to committee, he is quite at liberty to ask that it be referred.

The Hon. the Speaker: Third reading to-morrow.

VETERANS INSURANCE BILL

SECOND READING

Hon. Mr. Burchill moved the second reading of Bill 183, an Act to amend the Veterans Insurance Act.

He said: Honourable senators, the purpose of this bill is to correct an error in the Veterans Insurance Act. The Act contains a section which provides that where insurance money becomes part of the estate of an insured, the estate shall be entitled to receive only the reserve under the contract at the time of the death of the insured. It was intended that that section should be deleted from the Act, but when the bill of last session was reported from committee the amendment was inadvertently left out. The bill now before us, the application of which is retroactive to June 1, 1951, would remove the section of the Act to which I have referred.

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

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

Hon. Mr. Robertson: Next sitting.

PENSION BILL

SECOND READING

Hon. Mr. Burchill moved the second reading of Bill 184, an Act to amend the Pension Act.

He said: Honourable senators, this bill seeks to do three things. First, it would increase the annual allowance to leg and arm amputation cases, and certain other disability pensioners, for wear and tear of clothing, from $54 to $72 for one category of amputee, and from $22 to $30 for another category. The estimated liability under this legislation is $110,000.

Secondly, the present Act provides for an award to one dependent parent of a deceased member of the forces in the maximum monthly amount of $75, and in the case of two parents, of an additional award of $15 per month. This bill would increase the latter payment to a maximum of $25, thus making the total maximum award to two dependent parents of $100 a month. The estimated annual increase in liability is $50,000.

Thirdly, the bill seeks to make sure that an applicant whose claim is based on accidental injury or death due to any negligence on the part of a servant of the Crown, shall not be placed in any better position than an applicant whose claim is based on disability or death due to enemy action. This amendment corresponds with one which was introduced in connection with the Government Employees Compensation Act, 1947. I believe there was a case in which a person was accidentally injured, or met death, by reason of the negligence of a civil servant, and the Court awarded damages much in excess of the amount that would otherwise have been allowed.

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

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

Hon. Mr. Robertson: Next sitting.

CIVILIAN WAR PENSIONS AND ALLOWANCES BILL

SECOND READING

Hon. Mr. Burchill moved the second reading of Bill 191, an Act to amend the Civilian War Pensions and Allowances Act.

He said: Honourable senators, this bill has to do with the schedules of pensions payable under Parts VI and VIII of this Act, and would provide that air raid precaution workers and voluntary aid detachments be treated for pension purposes on the same basis as are other civilian war pensioners. Five awards have been made under schedule I of the present Act, and one under schedule II; and it is unlikely that any further awards will be made in these two classes. The rates for these pensions were not increased when other pension rates were increased in October, 1947 and again in January, 1952. The bill proposes to increase by 50 per cent the amounts presently payable to the six pensioners who are in receipt of the awards just mentioned. This is approximately in keeping with other pension increases. The estimated liability covering this amendment will be $1,068.

Hon. Mr. Reid: I should like to ask the honourable senator if there are only six persons receiving pensions under this arrangement?

Hon. Mr. Burchill: Under these particular schedules, yes.

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

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

Hon. Mr. Robertson: With leave, next sitting. If in the meanwhile any questions arise with regard to this bill on which information cannot be secured from the sponsor or from myself, and honourable senators wish to have it sent to committee, I shall be quite willing to take that course. The committee will be sitting fairly continuously.

CANADA GRAIN BILL

SECOND READING

Hon. T. A. Crerar moved the second reading of Bill 246, an Act to amend the Canada Grain Act.

He said: Honourable senators, the amendments to the Canada Grain Act contained in this bill are four or five in number, and make no changes of any consequence in the administration of the act.

The first amendment is contained in subsection 2 of section 3. At the present time grain commissioners retire at the age of seventy years. The amendment provides that notwithstanding this provision the Governor in Council may extend for a period of twelve months, the period of office of any of the commissioners.

The next amendment deals with salaries of the commissioners. The salary of the chairman of the board is increased from $12,000 to $14,000, and the salaries of the other two commissioners from $10,000 to $12,000. This involves a total increase of $6,000, which, however, is offset by the effect of another amendment. At the present time there are four assistant grain commissioners, one of whom is resident in Alberta, another in Saskatchewan, a third in Manitoba, and a fourth at the head of the lakes. By section 5, subsection 1, the number of assistant grain commissioners is reduced to three. My recollection is that each receives $6,000. The statute does not set the amount of the salary, as the stipends of assistant grain commissioners are fixed by order in council.

The next amendment has to do with improvements which have taken place in accounting methods through the use of machines. At present the act provides that tickets, receipts and notes issued by elevator operators must be in the form of a book in which the duplicates will be retained, so that there is a bound volume containing for reference at any time a record of all the grain tickets that have been issued. The amendment provides that where in the judgment of the Board of Grain Commissioners a satisfactory substitute can be found by the use of a registering machine, it may permit the use of such equipment for the keeping of these records.

Another amendment deals with the weights of certain grades of grain. In the standards provided for under the Grain Act the weights of many grades are specified. For example, to qualify as No. 1 Northern, wheat must have a certain weight per bushel in addition to conforming to other specifications. At the present time, however, some grades are not assigned a minimum weight. Sections 4 and 5 change this situation and specify the minimum weight necessary to establish the grades mentioned therein.

The amendments I have mentioned, honourable senators, comprise the contents of the bill. As you will have noted they are not extensive; they are easily understood; and I think it can be said that they constitute an improvement of the act.

Hon. Mr. Reid: Ever since the passage of the Canada Grain Act I have held the view that the grain commissioner's job is a sinecure; and now we are asked to raise his salary to about that of a Cabinet minister, apart from the indemnity. I know that nothing I can say will prevent the bill from being passed.

What rather intrigues me is subsection 2 of section 1:

> Notwithstanding subsections one and one a, no commissioner shall continue in office after he has attained the age of seventy years . . .

But later in the same subsection it is declared that—if it is deemed advisable, he can remain in office for another twelve months, which would carry him to the age of seventy-one. But in the latter part of the subclause we find:

> No such declaration shall authorize the continuance in office of any commissioner after he has reached the age of seventy-five years.

I think that needs a little explanation; at least it is not clear to me. I wonder if the mover of he bill knows what it means.

Hon. Mr. Horner: Be careful about criticizing these people. They may be supermen, you know!

Hon. Mr. Reid: Well, to my mind, it is one of the sinecure jobs, and I want an explanation of the clause. I may be dense, but it doesn't read right, to me.

The Hon. the Speaker: The question is on the second reading of the bill.

Hon. Mr. Reid: No. I want an answer to my question.

Hon. Mr. Crerar: I am sorry I did not catch the objection that the honourable senator raised.

Hon. Mr. Reid: I asked for an explanation of subsection 2 of section 1. In the first part it states that "no commissioner shall continue in office after he has attained the age of seventy years", but in the second part of the same subclause it appears that he

can be granted a twelve months' extension, which means, until he is seventy-one years old: finally it states that "no such declaration shall authorize the continuance in office of any commissioner after he has reached the age of seventy-five years." I am asking, in view of the first two sentences I have quoted, what is the meaning of the reference to "seventy-five years".

Hon. Mr. Crerar: Well, I am bound to say at the moment that I do not know what that latter part means. It is quite clear that the commissioner may be retired at seventy years of age.

Hon. Mr. Reid: Plus twelve months.

Hon. Mr. Crerar: The Governor in Council may extend the term for twelve months.

Hon. Mr. Reid: I am not objecting to that.

Hon. Mr. Crerar: "But no such declaration shall authorize the continuance in office of any commissioner after he has reached the age of seventy-five years." I cannot give an explanation.

Hon. Mr. Haig: Send it to committee.

Hon. Mr. Crerar: If any honourable senator wants to send the bill to committee, good and well.

Hon. Mr. Robertson: That is perfectly proper.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Crerar: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce, where the question asked by the honourable gentleman with the eagle eye, our colleague from New Westminster (Hon. Mr. Reid), can be answered.

Hon. Mr. Robertson: Just off hand I would say that the term of the commissioner may be extended for a twelve-month period after the commissioner reaches the age of seventy, but not after he reaches the age of seventy-five. I am not certain as to the accuracy of this information, and I think the bill should be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

IMMIGRATION BILL

SECOND READING

Hon. J. G. Turgeon moved the second reading of Bill 305, an Act respecting Immigration.

He said: Honourable senators, I am one of those who deeply feel the necessity for more and more immigration to Canada, but as the bill now before us does not deal with any basic policy of immigration I do not intend to say anything in this connection.

The purpose of this legislation is simply to amend, consolidate and clarify the Immigration Act which, with certain amendments, has been in force in Canada since 1910. Thanks to the farsightedness of the leader of the government (Hon. Mr. Robertson), and due to the courtesy of the Minister of Citizenship and Immigration, the Deputy Minister and other officials of the department, the members of the Senate Standing Committee on Immigration and Labour were able to discuss in detail the subject matter of this measure before the bill itself actually reached this chamber.

Since our committee met to discuss the various proposed changes to the Immigration Act, the bill itself was passed by the House of Commons with a few additional amendments. These new amendments deal mainly with the responsibility and liability of transportation companies in connection with the deportation of immigrants should they be found unacceptable, for some reason or another, after spending a certain period in this country and before receiving Canadian citizenship.

The proposed changes in the bill relate to the admission of immigrants and to certain factors which may prevent them from coming into this country. A reading of this legislation will show that it is the intention of the Minister and his colleagues to make life easier for immigrants after they arrive in Canada, and for those who may have to leave this country.

I should like to call to the attention of the Senate the extension of good will towards people from other lands who wish to come and live among us. For instance, if a person who has committed some offence has been able to rehabilitate himself over a certain period, he will not be prohibited from landing as an immigrant in Canada. There are provisions in the bill dealing with the now defunct International Refugee Organization.

At the present time the Government of Canada may grant loans to immigrants in respect of the costs of their transportation to Canada and to certain points within this country. These loans are made by way of estimates approved by parliament. The bill before us provides that the Government of Canada, through the Minister of Finance, may from time to time grant loans out of the

Consolidated Revenue Fund of Canada to assist immigrants in their passage to Canada, and to any point inside Canada.

Hon. Mr. Reid: Would these transportation loans enable immigrants to travel as far west as British Columbia?

Hon. Mr. Turgeon: At the present time immigrants are only assisted in their passage to Canada and to points east of Winnipeg; they do not receive any government assistance beyond Winnipeg. In these cases usually the employer or employing companies assist the immigrants. Under the amendments contained in the bill, those travelling to points west of Winnipeg will now receive the same consideration as those who settle east of Winnipeg.

Honourable senators, as this bill is purely for the purpose of consolidating and clarifying the Immigration Act, and because the session is drawing to a close, I shall say nothing further in support of its second reading.

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

REFERRED TO COMMITTEE

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

Hon. Mrs. Fallis: I would ask that it be sent to committee.

Hon. Mr. Robertson: I move that the bill be referred to the Standing Committee on Immigration.

The motion was agreed to.

ARMY BENEVOLENT FUND BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 334, an Act to amend the Army Benevolent Fund Act, 1947.

He said: Honourable senators may recall that the Army Benevolent Fund Act, 1947, was enacted following a report made in that year by a special committee from the House of Commons on canteen funds. It was designed to establish a central benevolent fund from army canteen and related service funds, from which grants could be made to veterans to help them meet conditions of emergency. These veterans were defined as being persons who were on active service in the military forces of Canada during World War II.

The Army Benevolent Fund is administered by a board set up under the Act, consisting of five members, who serve voluntarily under the chairmanship of Lieut-General Murchie. The board has a secretary who is paid a salary out of the funds.

When this fund was set up under the Act it was assumed that there would be prospective beneficiairies for about fifty years, and the actuarial scheme contemplates that the bulk of the expenditures from the fund will be made during the first thirty years, at the rate of $400,000 per annum. It turns out, however, that the board's current annual expenditures are higher than were estimated.

The Act provides that the fund shall be credited with interest at the rate of 2½ per cent per annum, semi-annually, on the minimum monthly balances. The capital amount of the fund is at present about $9,000,000, so the income amounts to approximately $225,000. This $9,000,000 is deposited with the Receiver General and is administered as a trust fund by the Army Benevolent Fund Board. The fund is audited by the Auditor General. In all provinces the board has committees which approve or reject applications, submitted through welfare agencies. It would seem that if expenditures were to continue at the average of more than $400,000 per annum, the fund would be depleted to a greater extent than was contemplated. In order to avoid this, the present bill proposes to increase the interest rate from 2½ to 3½ per cent per annum on minimum monthly balances to the credit of the fund not in excess of $5,000,000. The present rate of 2½ per cent per annum will, of course, be retained on the monthly balances in excess of $5,000,000. That is to say, the rate of 3½ per cent per annum will be paid on monthly balances up to $5,000,000, and 2½ per cent on balances in excess of that sum. This amendment is to be effective on the 1st of April, 1952. I may say that the proposal to raise the interest rate to 3½ per cent seems reasonable having regard to the interest rates being paid under statute to other comparable funds at the present time.

The other important amendment proposed to this Act arises out of the experience of the board over the last few years. It has been found that persons interested in the welfare of army veterans often wish to make donations or bequests to the Army Benevolent Fund, but at present the board has no authority to accept such donations or bequests. Likewise, it has been found that some veterans themselves have desired to repay to the fund grants that have been made to them. Again, the board is unable to accept such refunds. Similarly, if the board should recover moneys that have been paid out by reason of fraud or misrepresentation on the part of the recipient, they could not go to the credit of the fund. Such moneys, like those I have already mentioned, would go to consolidated revenue, and the fund would not itself receive any benefit.

It is proposed, therefore, to make it possible for the board to accept donations from benevolently-minded persons, and voluntary refunds from veterans who have received grants to help them out of emergencies and who are now in a position to put the money back into the fund to help other veterans in turn; and to put back into the fund moneys recovered from persons who obtained grants by fraud. It will be observed that these measures will also serve to bolster and maintain the fund at a level which will likely assure its continuance over the period it was designed to serve.

Hon. Mr. Isnor: May I ask the leader a question? By whom is this interest paid?

Hon. Mr. Robertson: The principal amount of $9,000,000 is deposited with the Receiver General in the Consolidate Revenue Fund and is administered as a trust fund. The position, I take it, is this. Because of this trust fund the Receiver General has available for ordinary government purposes $9,000,000 more than would otherwise be available, and in the past a rate of 2½ per cent interest has been payable, under the statute, on the minimum monthly balances.

Hon. Mr. Isnor: Who has been paying the interest?

Hon. Mr. Robertson: The government has been paying 2½ per cent on this money, which is deposited with the Receiver General as a trust fund and used by the government.

Hon. Mr. Isnor: Is the interest charged to any particular branch of the Department of Defence?

Hon. Mr. Robertson: No. The interest is charged in the same way as the interest on the public debt of all kinds. If that $9,000,000 were removed from the Consolidated Revenue Fund and the government borrowed $9,000,000 from another source, a corresponding rate of interest would have to be paid on that money to the other source.

Hon. Mr. Reid: Can the leader tell us whether it is only the interest on the loan that is used each year or whether a certain amount of the capital also is being used?

Hon. Mr. Robertson: What is being used every year is not only the interest, but a portion of the capital as well.

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

55708—34½

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

Hon. Mr. Robertson: Next sitting, unless there is some suggestion to the contrary.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 346, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1952, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, this bill divides itself into four specific parts.

The first part of the bill, which is similar to bills of previous years, is to authorize the Canadian National Railways to incur capital expenditures up to $154,755,280.

The second part is to authorize the railway company to acquire additional working capital in an amount not exceeding $15 million. Provision was made last year for additional working capital of $20 million.

The third part of the measure would authorize the railway company to make capital expenditures prior to July 1, 1953, to discharge obligations incurred under the Act and which become due and payable after January 1, 1953. While this section is new, it does not involve any new principle. The law officers of the Crown have ruled that the authority contained in the annual Financing and Guarantee Acts does not expire at the end of the calendar year. It was felt that it was more desirable to disclose this information to parliament by specifically referring to it.

The last part of the bill would permit the railway company to enter into contracts for new equipment in the amount of $123,130,710. This provision was first introduced last year when the company was authorized to place orders for $111,512,920. It should be noted that none of this equipment is expected to be delivered in 1952.

By way of summary, parliament is being asked to approve the financing, either by way of direct loan from the government or the issue of securities of the company guaranteed

by the government, in the amount of $202,405,280. This amount is made up as follows:

Additions and Betterments (excluding new equipment)—		
Ordered prior to 1952 (Revote)	$23,014,271	
Ordered and to be paid in 1952	$27,363,257	
		$50,377,528
Branch Line Construction (Sherridon-Lynn Lake)		$7,800,000
New Equipment—		
Ordered prior to 1952 (Revote)	$93,647,760	
Ordered and to be paid in 1952	$2,413,092	
		$96,060,852
Acquistion of securities		$516,900
Acquisition of additional working capital		$15,000,000
Payment for equipment ordered but delivered in period January 1 to July 1, 1953		$50,000,000
	Total	$219,755,280
Less amounts available Depreciation Reserves and Debt Discount Amortization		$17,350,000
		$202,405,280

It will be noted from this table that this legislation covers amounts that were authorized by previous Financing and Guarantee Acts. In other words, this Act will be the sole authority for the financing of the railway company up to July 1, 1953.

The usual authority is provided for the making of temporary loans to the railway company and Trans-Canada Airlines, to meet operating deficits up to June 30, 1953. While the Capital Revision Act of this year contemplates that the railway will not have any deficits in the future, it sometimes happens that deficits occur in the early months of the calendar year.

Loans by the government to the railway company made under previous Financing and Guarantee Acts, and outstanding at May 31, were as follows:

1947 Act	$5,886,566.33
1949 Act	1,656,463.45
1950 Act	6,911,989.10
1951 Act	66,333,939.82
1951 Act (No. 2)	21,448,924.37
	$102,237,883.07

Advances under the first three Acts and part of the fourth Act will be converted into preferred stock or the $100 million 20-year obligation referred to in the Capital Revision Act.

Hon. R. B. Horner: Honourable senators, I was not sure whether, having spoken on the other bill having to do with the Canadian National Railway, I would be permitted to again speak on the bill now before us. Evidently, in the remarks I made earlier I either said too much or too little. I am not surprised at the remarks of the honourable senator from Bruce (Hon. Mr. Stambaugh); it cost him a lot of money to advertise Sir Henry, but he no doubt was worth a good deal to my honourable friend.

I too have had a lot to do with the railways, but more by way of paying freight rates than by building roads. As long ago as 1913 I was riding freight trains as many as twenty-seven days out of the month, travelling back and forth across the country with shipments of horses. I rode the old Canadian Northern west from Fort William. Of course everything is moving faster today; cultivation of millions of acres of land in Western Canada has created a huge freight revenue.

I am sure that the railway would not have had the foolish expenditures under the management of the famous Scotchman Hanna that it did under the management of Sir Henry Thornton, who, as I have said before, threw down a railway in wartime, when money was no object. In fact, the experience gained then helped to ruin him for the efficient management of the normal operations of a railway in Canada. Thornton went to England, and there he was knighted for his services to Canada in rushing through this railroad. But England tried him for a time in the management of one of its roads, at a salary of $25,000 a year, but soon got rid of him.

I have had many sad experiences with shipments of livestock over the railroad. I recall one occasion during Sir Henry's management when, on a hot day in July, I had a carload of horses to be shipped north from Moose Jaw. I came down from Regina in the night, and at 5 o'clock in the morning I tried all over the place to locate a yardman to tell me if I could unload the horses to water them, because they were sweltering in the car. When I finally found a man, he swore at me and told me if I took the horses out—and there were 22 of them—I would have to get them back in a mighty quick hurry because the train was pulling out in short order. By 7 o'clock I had the horses all back in the car, and there they stayed until 10 o'clock that night. When I made inquiries from the railway, they said they would be moving any time. Well, I finally got to Saskatoon, and there they told me that freight going on to Blaine Lake had left an hour ago, which meant that I had to wait from Friday until Monday. I told the freight office they could keep the horses.

They wanted to know why I had not wired ahead. I said "I am not running the railway; I am only trying to ship some stock and pay the freight on it. Surely you know what is coming in and what its destination is". Surely there must have been some trains coming in which could have taken them to their destination. The upshot was that every one of the horses was scalded down the side.

That sort of thing was typical of the whole set-up. I take no pleasure in making these criticisms, and I suppose the leader of the government (Hon. Mr. Robertson) thinks I should show good humour and feel kindly towards these people. I try to, but often I get tired of the everlasting chorus of praise that some of these executives are given and the idea that they are a sort of supermen. We all know that in the days of their power such dictators as Mussolini and Hitler made it unsafe for anyone to utter a word of criticism. Under the old railway regime it might mean thousands of dollars to you if you sang songs of praise in the right quarter.

As regards the construction of the roads, I happen to know something about the way they were built. If you look at the records you will find that in great stretches of the grade there was hardly one bit of decent earth. In my simplicity, when I contracted for a piece of the road, I had the project of sending engineers forward to test the ground for rock and hard-pan. But no: one was told to go ahead with the grade, with so much for loose earth, so much for hard-pan, so much for loose rock, so much for rock; and it was not unknown that engineers who appraised the work found a new car sitting in front of their door. In my time it was the custom that a man would make some deal and present his bill, and the tender had nothing to do with it; additional money was paid. When a former Liberal government was building the road in Alberta and Saskatchewan there was no railroad construction proceeding in any other part of Canada; yet three of the directors were from Ontario, three from Quebec, one from British Columbia and one from each of the Maritime Provinces, but not one from either Saskatchewan or Alberta. When I was asked if I would like an appointment I said that at that stage it would be a case of locking the door after the horse was stolen, but if there was anything I could do, I would do it.

Here is another personal recollection. The people of the little village of Blaine Lake put on a banquet and invited Sir Henry Thornton. Our village was not on the main line, and was rather difficult of access, but there was nothing to prevent anybody driving there in a car. I expected that Sir Henry would travel by automobile to our village, which then had no more than four hundred people in it, but to my astonishment there arrived a long special train of private cars, with the president and a company of fifteen to thirty-thousand-dollar-a-year men. You can imagine what I thought of that. And Sir Henry's car was not the only private car which came to Blaine Lake.

I am not criticizing Liberal governments only, I am criticizing the Conservatives too; they fell down miserably. The danger of such a set-up is obvious. A huge undertaking like the Canadian National Railroad, with its hotels and the whole elaborate organization, can become a danger to democratic government. I would prefer to see it disposed of. It becomes a greater power than the national government itself; it may be regarded in itself as a third government. That is typical of what happens under government ownership.

Had I been in control in 1930 I would have dismissed the head of every department of the Canadian National System, though at the same time I would have attempted to find them employment elsewhere. But the management had spent so much money advertising themselves that it became dangerous for any employee to criticize them. We are told in the good Book to "mark the perfect man, and behold the upright", but we are not instructed to worship him. It may be necessary to have a chain of responsibility and authority, with the top men in supreme control, but while this practice is defended as making for confidence and co-operation, it is too often ineffective; and when one comes in contact with these supposed supermen the experience is frequently very disappointing; one discovers that, after all, they have feet of clay.

I repeat that I take no pleasure in these criticisms; but I believe it is my duty as a man to stand here in my place and comment on Canadian affairs as I know them. I know that many have found it easier to take another course: some who were earning $5,000 a year when Sir Henry took charge were almost immediately raised to positions carrying salaries of three times that amount, but that does not prove that they were worth what they got.

Honourable senators have done Sir Henry the honour of saying that he resigned. That is not correct.

Hon. Mr. Aseltine: Polite language.

Hon. Mr. Horner: Yes. Here is another example of the way things went on. The Canadian National headquarters occupies a large building on McGill Street, in Montreal. The offices also are very spacious, some of them are more like double rooms, with an

entrance door, and quite a distance from one end to the other. On one occasion when I was attending a board meeting, the chief investigator—whose name I would not want to mention, even if I could remember it—sent word that he wanted to see me before five o'clock. I went to his office, and we sat at one end of the room. He, very improperly, attempted to intimidate me as regards my actions on the board. He told me about how he got cars across the line, and said he knew enough political stuff on some Conservatives and Liberals to make things terrible for them if he "lifted the lid". I said "You can lift the lid as high as you like, whether the wrong-doer is a Conservative or a Liberal; as far as I am concerned, I am going to try to do the right job here". Later he went to Blaine Lake in his private car, and as a result of what developed I insisted on his retirement, and he left the service with a pension of $2,700 a year,—which in those days was pretty good. At one time a man was produced who took an oath that he overheard the conversation between this party and myself. The offices, as I have said, were very large; the supposed witness was in another office; and unless there had been a microphone on the table where we sat it would have been impossible for him to have heard us.

The man who appeared to be the chief legal advisor of the system, although most of the actual work was being farmed out all over Canada, drew $30,000 a year, and when we reduced his salary to $18,000 he immediately resigned. Today, I understand, he is practising law and drawing a pension of $8,000 a year. At the time of his resignation he stated that he was ready to talk about the improper actions of Sir Henry and his associates,—presumably because he wanted to secure the president's job for himself. I hope we do not again have to go through the ordeal of hearing people sing glorious refrains about this and that great superman, because there is no such person.

I want to repeat that the Canadian National Railway System was just as efficiently operated before Sir Henry Thornton took over as after. I make this statement as one who has travelled on the line and paid freight rates, and so on, and I maintain that there was not the fine spirit of co-operation among the railway employees that the honourable gentleman from Bruce (Hon. Mr. Stambaugh) would have us believe. The first year that I was on the board I never heard one word of criticism from the Westerners, because they had the idea that I would tell Sir Henry everything they said when he came West in his private car and special train. However, when they found out that this was not the case, they started to do some talking, and I learned of the difficult situation in British Columbia. There was certainly no spirit of co-operation, on the contrary, the men were as bitter as they could be. A certain colonel, who married a relative of Sir Henry's from New York, was made a representative of the railway company at $40,000 a year, and the people of Canada, including my friend from Bruce, spent $4,000 just to fix up the grounds of this representative's residence. In those days the best men in the system might find themselves fired if they said one word against Sir Henry, while others might find themselves promoted if they praised him. I mentioned a certain official the other day who received a salary of $30,000 a year. This man came from New Brunswick, and when he refused to sign a lien at the direction of Sir Henry Thornton, he was immediately retired and although he was not entitled to any pension he was granted $10,000 a year as a retiring allowance. I know of one superintendent of the railway—and my honourable friend from Bruce knows him too—who quit going to a certain church after he had heard the minister of that church praise Sir Henry Thornton.

I regret very much that I find it necessary to make these comments at this time, but I feel that as a member of this chamber it is my duty to do so.

Hon. Mr. Stambaugh: Honourable senators, I do not know the superintendent about whom our esteemed colleague has just spoken. I know practically all the superintendents in the West, and I do not know of one who has anything to say against Sir Henry Thornton. I want to repeat what I said earlier this afternoon, that the employees of the C.N.R. from sectionmen to superintendents—engineers, firemen, and brakemen—have nothing but the highest regard for the memory of Sir Henry. They speak well of him now and they spoke well of him when he was alive. I make the flat statement that in the opinion of railwaymen and businessmen throughout Canada, Sir Henry was the best railroad administrator that we have ever had in Canada.

Hon. Mr. Horner: They do not believe any such thing.

Some Hon. Senators: Question.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: What is the pleasure of the house?

Hon. Mr. Haig: I think the bill should be sent to committee because we do not seem to agree as to what has happened. The honourable senator from Bruce (Hon. Mr. Stambaugh) has certainly not expressed the opinion of the people from Manitoba. I think the bill should be referred to committee, where Mr. Gordon and other officials can be called to give evidence. I think we should find out how much is owing on the road now, and what liability is likely to occur under this legislation.

Hon. Mr. Robertson: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

TAX RENTAL AGREEMENTS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 347, an Act to authorize the Government of Canada to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

He said: Honourable senators, this bill will authorize the government to enter into agreements with the provinces for the rental of tax fields for a further five years. It is in substantially the same form as the Dominion-Provincial Tax Rentals Agreement Act, 1947.

It will be recalled that following negotiations in 1945 and 1946 agreements were entered into with seven of the then existing provinces, Ontario and Quebec being excepted. When Newfoundland joined confederation in 1949 a similar agreement was entered into with that province. Under these agreements the provinces agreed, in return for compensation from the federal government, not to levy personal income taxes, corporation income taxes, other taxes on corporations, or succession duties, for a five-year period. To help maintain as uniform a tax structure as possible the agreeing provinces were required, in effect, to levy a tax of 5 per cent on income of corporations doing business within their jurisdictions. These agreements expired on March 31, 1952, and the purpose of this bill is to authorize the government to enter into agreements of a similar nature for a further five years.

The terms of the new agreements to commence in 1952-53 were first considered at a conference of all the provinces called by the federal government in December, 1950. As a result of the offer made by the federal government at that conference, and by means of discussions with representatives from individual provinces, following which any changes were made known to all the provinces, a basis has now been reached for concluding new agreements. Up to the present time the indications are that at least the same eight provinces which had agreements in the past five years will be entering into new agreements for a further five year period.

Under the proposed new agreements the taxes which the provinces will refrain from imposing will be the same as those involved under the old agreement. These taxes will include the personal income tax, the corporation income tax, the so-called "corporation taxes"—taxes on places of business, paid-up capital, and so on—and succession duties. Just as under the old agreement, any province will have the option of retaining its succession duties if it so chooses—with, of course, an offsetting reduction in its compensation. As was explained in the Budget Speech, the agreeing provinces will no longer be required to levy a 5 per cent corporation income tax. The same general purpose is accomplished by adding the 5 per cent tax to the federal rate and allowing a credit up to 5 per cent on corporation income allocated to a non-agreeing province.

The new agreements will allow the provinces to continue to levy charges on their natural resources and to impose income taxes on income from mining or logging operations.

The provisions of the new agreements relating to the compensation to be paid by the federal government to the provinces in return for the exclusive use of the tax fields, again provide fixed minimum payments for each province which will be adjusted upwards to take account of changes in provincial population and gross national product *per capita*. The guaranteed minimum payments under the new agreement are, with the exception of one additional formula, basically those of the old agreement adjusted upward to a higher level.

It will be recalled that the guaranteed minimum payments under the old agreements were established by the provinces choosing one of two general formulae. The first of these was as follows: (1) $15 per capita on the 1942 population of the province, plus (2) the amount of the statutory subsidies payable to the province in 1947. This formula was more favourable for Nova Scotia, Saskatchewan and Newfoundland.

The second formula was designed to give more emphasis to the tax potential of the individual province. It was as follows: (1) 50 per cent of the revenue from personal income taxes, corporation income taxes and corporation taxes in the year 1940 as established for the wartime tax agreements; plus (2) $12.75 *per capita* on the 1942 population of the province; and (3) the amount of the statutory subsidies payable in 1947. This second formula was more advantageous for all the other provinces except Prince Edward Island, for which a special guaranteed payment of $2,100,000 was fixed.

For the new tax agreements the federal government proposed at the conference in 1950 that the new guaranteed minimum payments should be the minimum amounts fixed in the old agreements, adjusted upwards by the ratio of change in provincial population and gross national product *per capita* between 1942 and 1948. In general, this had the effect of increasing the minimum payments by 50 per cent. However, at the same time, to meet the position of certain provinces which had argued that greater emphasis should be given to the element of tax potential, a new formula was introduced. The components of this new formula were as follows: (1) the yield of a personal income tax at 5 per cent of 1948 federal rates applied to 1948 incomes in the province; (2) The yield of a tax of 8½ per cent on corporation profits earned in the province in 1948;—The rate of 8½ per cent, I might explain, is taken as a fair measure of the corporation tax potential and takes account of the separate or specific taxes traditionally levied by provinces as well as taxes on corporate profits.—(3) The average revenue received by the province in a recent three-year period from succession duties;—(4) Statutory subsidies payable to the province in 1948. In actual application, this formula was of benefit only to the province of Ontario.

Minor modifications in the calculation of the adjustment between 1942 and 1948 have been accepted as a result of provincial representations subsequent to the conference, but essentially the new guaranteed minima are those offered by the federal government in December, 1950.

With the consent of the house, I will place on *Hansard* a table showing the guaranteed minimum payments under the old agreements and the payments that will form the basis of new agreements that will be authorized by this legislation.

The table is as follows:

Guaranteed Minimum Annual Payments under 1947 Agreement and under Most Favourable Option under 1952 Agreement.

Province	1947 Guaranteed Minimum Annual Payments	1952 Guaranteed Minimum Annual Payments
	($000)	($000)
Newfoundland (1949)	6,209	9,175
Prince Edward Island	2,100	2,977
Nova Scotia	10,870	15,348
New Brunswick	8,773	12,576
Quebec	56,382	85,080
Ontario	67,158	101,801
Manitoba	13,540	18,635
Saskatchewan	15,291	20,026
Alberta	14,228	20,986
British Columbia	18,120	29,647
	212,671	316,251

It should be clearly understood that these amounts are only the fixed minimum payments below which no annual payment may fall. The actual amounts payable in a given year are the result of calculations by which these minimum amounts are increased to give effect to national growth, as measured by the gross national product *per capita*, and to provincial growth, as measured by provincial population.

Under the old agreements the adjustment for these factors was calculated on the average of ratios for three years preceding the year of payment in relation to the base year 1942. This three-year averaging had the effect of stabilizing the adjusted payment by reducing the effect of a sudden change in economic conditions. Some of the provinces felt, however, that in a period of very rapid growth the three-year averaging process slowed down unduly the increase in provincial revenues at a time when rising revenues were needed. It has, therefore, been proposed that a province should have the choice between an adjustment based on a two-year average and one based solely on the data relating to the one year immediately preceding the year of payment. The provinces which have so far indicated their desire to enter an agreement have all elected to take the one-year option.

Under the new agreements, therefore, the adjusted payments will be based on the ratio of gross national product *per capita* and of provincial population in the year preceding the year of payment over the new base year 1948. I would also suggest that another table be placed on *Hansard* comparing the guaranteed minimum payments that will be authorized for each province under this bill with the amount of the adjusted payments, as at present estimated, that will be paid in the first fiscal year of the new agreement. These amounts are before any deduction for statutory subsidies.

The table is as follows:

Province	Guaranteed Minimum Payment	Estimated Adjustment Payment in 1952-53
	($000)	
Newfoundland	9,175	12,292
Prince Edward Island	2,977	3,916
Nova Scotia	15,348	20,150
New Brunswick	12,576	16,625
Quebec	85,080	115,004
Ontario	101,801	137,173
Manitoba	18,635	24,760
Saskatchewan	20,026	25,571
Alberta	20,986	29,369
British Columbia	29,647	41,376
Total	316,251	426,236

It will be noted that this table and the preceding one give figures for all ten provinces; that is, including both Quebec and

Ontario. No payments will be made to Quebec and Ontario, of course, unless these provinces enter into an agreement with the federal government; and the figures shown for these provinces indicate the amounts that will be paid to them under the formula in that event.

A provision of the 1947 legislation that will be continued under this bill is that authorizing payment to the provinces of half the federal corporation income tax, less certain deductions, collected from companies engaged in the generation or distribution of electrical energy, gas or steam. As under the existing Act, these payments will be made to all provinces whether or not they enter into a tax agreement.

This bill also provides that the federal government may enter into arrangements with the provinces to deal with the proceeds of the 5 per cent corporation income tax formerly levied by agreeing provinces and collected on their behalf by the federal government.

Hon. Mr. Burchill: Will the leader please tell us what term the agreements cover?

Hon. Mr. Robertson: Five years.

Hon. Jacob Nicol: Honourable senators, it may be recalled that when the Tax Rental Agreements Bill of 1947 was before the Senate I opposed it. Now we have another bill of the kind before us. I have no intention of retarding its passing, but I wish to say that I do not approve of the principle implied in this bill. Section 5 (1) reads:

> Where the Minister and a Province consider it desirable, in order to bring to an early conclusion the deductions by Canada from amounts payable by Canada to a Province, and payments by the Province to Canada, under clause three of the agreement made with the Province pursuant to the Dominion-Provincial Tax Rental Agreements Act, 1947 . . .

The Dominion is to collect the tax under rental agreements.

The first time the dominion entered into such an arrangement with the provinces was, I believe, under the government of Sir Robert Borden. Sir Robert pointed out that it was a temporary agreement with the provinces, made under war conditions, by which he wished to borrow the taxing powers of the provinces to meet war necessities. Again when Canada entered the Second World War, Mackenzie King made known his desires to borrow the taxing powers of the provinces for the purpose of raising funds to meet defence expenditures.

Most of the provinces have agreed to this arrangement between the federal authorities and themselves; and if Ontario and Quebec would agree the minimum amounts payable to them under the formula would be $101 million and $85 million respectively. I believe that no provincial government can maintain its independence, carry on under the terms of the British North America Act, and depend on Ottawa for its revenue.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Nicol: Yet that is exactly what is proposed by this bill

The learned leader opposite (Hon. Mr. Haig), while discussing another item on the Order Paper awhile ago, talked of the civil war in the United States between the North and South; and he added that the effects of that trouble are still to be felt. I would point out that the present relationship between Ontario and Quebec and the federal government is much the same as that which existed between the various states and the federal authority in the United States prior to 1860. The issue in the United States was then that of state rights. The slave was considered a chattel, and the rights over chattels were determined by state law. The federal authority overruled the state law, and we all know what happened.

During the two great wars in which Canada has participated, the two federal leaders—Sir Robert Borden and the Right Honourable Mackenzie King—approached the provinces, as I have said, to borrow the right to levy taxes for certain purposes. What was then regarded as a temporary measure is now to become a regular practice. It is my opinion that if the federal authorities continue to infringe on the rights of the provinces trouble will result. I hope that some of the provinces will not submit to the overruling power of the government, and will want to maintain their own taxing powers.

The words of Sir Wilfrid Laurier have been quoted many times to the effect that it is wrong for one body to levy taxes to be spent by another body. Now the federal government proposes to levy what are rightfully provincial taxes; and not in small amounts, but in hundreds of millions of dollars. The sum of $85 million is too large a share of the expenditures of Quebec to be paid by Ottawa. That province has all the rights of a sovereign state within the British North America Act, but parliament has taken from her the right to collect and spend taxes as she sees fit. Some day this will bring trouble between the provinces and the dominion.

Hon. Mr. Haig: Honourable senators, I had not intended to move the adjournment of the debate, but I have changed my mind. May I just say that I appreciate very much the

able speech by the leader of the government in which he gave us the facts behind this measure. His remarks, together with those of my honourable friend from Bedford (Hon. Mr. Nicol), with whom I entirely agree, prompt me to move the adjournment of the debate. When times are good it is quite easy for the Dominion Government to collect taxes; but already there are rumblings of protest throughout Canada—and the results of the recent by-elections prove it—that the people do no like the steady increase in taxation.

Honourable senators, I move the adjournment of the debate.

The motion was agreed to and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 26, 1952

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

Prayers and routine proceedings.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE—MOTION TO PRINT

On the Orders of the Day:

Hon. John T. Haig: Honourable senators, on Tuesday, June 24, the Chairman of the Standing Committee on Finance (Hon. Mr. Crerar) suggested that the report of the Committee on Finance, together with the attached exhibits, be printed in the *Minutes of the Proceedings* for that day. I find that the report was printed but that the attached exhibits were not. When preparing a speech for today I was unable to get the information contained in the exhibits. Upon making inquiries I learned that it will be some little time before these exhibits can be printed; therefore I would move at this time that the report of the committee, together with the exhibits, be printed as an appendix to *Hansard*.

Hon. Mr. Robertson: Just to clarify the point, may I ask my honourable friend if his motion includes the committee's report as well as the exhibits attached thereto?

Hon. Mr. Haig: The committee's report has been published in the Minutes, but it has not appeared in *Hansard*. What I want is to have the report and the exhibits published in *Hansard*.

Hon. Mr. Robertson: Have the exhibits been furnished to the Printing Bureau?

Hon. Mr. Crerar: The committee's report was presented on Tuesday, the 24th, and from the discussion that took place on that day I understood that the report, together with the exhibits, would be printed in the Minutes of the next day. Through some misunderstanding, the report only was printed in the Minutes, and yesterday we overlooked taking any action to have this misunderstanding corrected. The honourable leader of the opposition (Hon. Mr. Haig) now moves that the report and the exhibits be printed in *Hansard* for today. Of course, if that meets with the wishes of the house, the whole story will appear.

The Hon. the Speaker: Honourable senators, as I understand it, the intention on Tuesday was that the committee's report, as well as the exhibits, should appear in the Minutes. The report only was printed, and it now seems to me that nothing further is needed than an order that the exhibits also be printed.

Hon. Mr. Lambert: Honourable senators, may I say just a word? The intention of the committee, in the advice it gave to the Chairman, was exactly as stated by the leader of the opposition (Hon. Mr. Haig). That is, the report, together with the exhibits, was to be published in *Hansard*. I think that by passing the motion to do this we would settle the whole matter.

The Hon. the Speaker: Honourable senators, with leave of the house, it is moved by the Honourable Senator Haig, seconded by the Honourable Senator Lambert, that the report of the Committee on Finance, together with the exhibits attached thereto, be printed as an appendix to the *Official Report of Debates* of this day.

The motion was agreed to.

(*See Appendix No. 1 at end of today's report.*)

MARINE AND AVIATION WAR RISKS BILL

FIRST READING

A message was received from the House of Commons with Bill 336, an Act respecting marine and aviation war risks insurance and reinsurance agreements.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

IMMIGRATION BILL

REPORT OF COMMITTEE

Hon. Mr. Turgeon presented the report of the Standing Committee on Immigration and Labour on Bill 305, an Act respecting Immigration.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Immigration and Labour, to whom was referred Bill 305, an Act respecting Immigration, have in obedience to the order of reference of June 25, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

CANADA GRAIN BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 246, an Act to amend the Canada Grain Act.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 246, an Act to amend the Canada Grain Act, have in obedience to the order of reference of June 25, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

Hon. Mr. Crerar: Honourable senators, on the motion for third reading I should like to refer back to a question asked yesterday by the honourable senator from New Westminster (Hon. Mr. Reid), as to the retirement of members of the Board of Grain Commissioners. Had my mental faculties been working as they should have been and were not—

Hon. Mr. Euler: Hear, hear.

Hon. Mr. Crerar: —I would have recalled that the Act has for a long time contained a section dealing with that matter. It provides that a commissioner may retire at the age of 70; however, power is given to the Governor in Council to extend the term of appointment by successive periods of twleve months until the commissioner attains the age of 75 years. I believe that is the explanation my honourable friend asked for.

Hon. Mr. Reid: In asking the question I was not taking exception to the provision that permits a commissioner's term of office to be extended, provided he is able to do the job. I could not see the sense of providing in the first place, that a commissioner could not carry on beyond 70 years of age, and, in the second place that his term of office could be extended by twelve months periods up to the age of 75. The mere fact that such provisions are in the Act is scarcely a reason why, in my opinion, they should be so stupidly worded.

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

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, before the orders of the day are proceeded with may I state, for the benefit of those honourable members who were not at the meeting of the Banking and Commerce Committee this morning, that I was asked to suggest at this stage the adjournment of the house during pleasure, to reassemble at the call of the bell when the committee shall have concluded its deliberations. The immediate business before the committee is to consider various phases of the Combines Investigation Bill and to hear some witnesses with reference to the Canadian National Railways legislation. I do not know, of course, how long the committee will be in session. To ascertain the opinion of honourable senators I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell, on the conclusion of the business of the Banking and Commerce Committee. We can then proceed with the business on the order paper as rapidly as circumstances permit.

Hon. Mr. Reid: Honourable senators, this seems to be unusual procedure. We are here to deal with the orders of the day, which include a number of bills. Are we to sit this evening to deal with these matters? The bill under discussion in the Banking and Commerce Committee is no more important than the veterans legislation which is before us.

Hon. Mr. Robertson: I can only say that I have explained the situation to the house. As to the honourable senator's question whether we are to sit this evening or not, I suggest that when we reassemble we sit as long as the house wishes. If the business on the order paper is not concluded by 6 o'clock we can do one of two things; either adjourn until tomorrow morning—in which event the Banking and Commerce Committee would be able to consider this evening two specific bills which have not yet come before the house—or continue our session this evening. I will consent to any course which commends itself to the house generally.

The Hon. the Speaker: Honourable senators, the motion is that the house adjourn during pleasure, to reassemble at the call of the bell. Is it your pleasure to agree to the motion?

Hon. Mr. Reid: On division.

The motion was agreed to, and the Senate adjourned during pleasure.

The sitting was resumed.

WAR VETERANS ALLOWANCE BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 181, an Act respecting allowances for war veterans and their dependents.

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

VETERANS BENEFIT BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 182, an Act to amend the Veterans Benefit Act, 1951.

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

VETERANS INSURANCE BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 183, an Act to amend the Veterans Insurance Act.

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

PENSION BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 184, an Act to amend the Pension Act.

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

CIVILIAN WAR PENSIONS AND ALLOWANCES BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 191, an Act to amend the Civilian War Pensions and Allowances Act.

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

ARMY BENEVOLENT FUND BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill 334, an Act to amend the Army Benevolent Fund Act, 1947.

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

TAX RENTAL AGREEMENTS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion for the second reading of Bill 347, an Act to authorize the Government of Canada to inquire into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

Hon. John T. Haig: Honourable senators, the late hour of the day and the warm temperature of this chamber are very conducive to a long speech.

Hon. Mr. Aseltine: Not conducive to long speech.

Hon. Mr. Haig: I said that it was conducive to a long speech, but I am not going to be induced to make such a speech. Perhaps I was out of order yesterday afternoon when I was adjourning this debate, because His Honour the Speaker, probably believing that I was going to extend my remarks at that time, began to rise in his place. But I soon brought my remarks to a close.

I entirely agree with what was said yesterday by the honourable senator from Bedford (Hon. Mr. Nicol). I feel that in principle this legislation is all wrong. It has been worked out on the basis of national production, and if world prices on commodities go down national production will fall and the amount of revenue the provinces derive from taxation will become less. In such a situation the provinces will find it difficult to readjust themselves, because they are becoming more and more used to the greater taxation revenues which result from a higher cost of living. This picture is clearly drawn in the report of the Committee on Finance, which shows that our estimated gross national product for the present fiscal period will leave a net national income of approximately $18 billion. As I say, if world prices come down, this net national income of some $18 billion will be reduced proportionately.

I have always disagreed with the policy of tax rental agreements because I have never felt that it is good business for one government to tax the people and another government to spend the taxation revenues. Take, for instance the various school boards in the provinces throughout Canada. The municipalities collect the tax revenues, and the school boards spend them. I do not think the situation in Winnipeg is any different than anywhere else.

Hon. Mr. Aseltine: It is the same everywhere.

Hon. Mr. Haig: A fierce battle is fought each year between our school board and our city council as to how tax revenues should be spent on education. For two or three years now the city council of Winnipeg has asked the provincial government to amend the law so that the city council will have control over all expenditures made by the school board. If this is not done, the city council wants the whole matter placed in the hands of the school board, with the school board raising its own revenues. The same thing applies here. It becomes very easy for the provinces who get these millions of dollars under this agreement to go to the limit in spending this money.

I should like to congratulate the leader of the government (Hon. Mr. Robertson) having

provided the house with such detailed information when he explained this bill yesterday. I had intended asking that the bill be referred to committee so that I could get certain information, and I think the leader of the government was anticipating such action when he provided the house with the statistics and other data.

In conclusion I want to reiterate that I am opposed to this type of legislation. I have always thought that there should be a conference between the municipalities, the provinces and the dominion as to the various fields of taxation. The demand for financial help from the federal government is growing all the time. Why, you cannot pick up a paper in any metropolitan centre—Montreal, Toronto, Winnipeg, Vancouver, or any other city—but you will find a resolution authorizing some organization to apply to the Dominion Government for money for some purpose with which the federal authority has nothing whatever to do. Take education. I read somewhere that it is estimated that this year we will pay out $7¼ million on education. It never was intended that the federal authority should grant money to pay the costs of education. I am not opposed to the grant, for I happen to know that the university and the colleges of my own city could not carry on without this help, and I presume the same is true of similar institutions in all our cities.

I believe I shall live long enough to see the problem of payments by the dominion to the provinces become acute. The provinces will not want to cut their expenditures, and they will say to the dominion "You get the money and give it to us." And if the national income should decline to the point that federal taxes cannot bring in the desired revenue, the Dominion Government will not be able to meet the provincial demands.

There is no pessimism in that statement. I am aware of the resources of our country, I know a good deal about Canada and her prospects for future prosperity. I also realize what tremendous sums we are now spending and shall have to continue to spend for many years to come, if the present cold war lasts much longer. A very prominent man, whose name I need not give, was visiting in the States recently, and he told me it was quite evident that the American people realized that their expenditures on defence could not be continued indefinitely at the present rate, and that there might come a day when the United States would have to call on Russia for a showdown. We all know what Russia has been doing, in Europe and elsewhere; her policy of fomenting trouble, here, there and all over, is responsible for a large part of the expenditures of the western nations on defence.

Now, coming back to this bill, let me state clearly that I am opposed to it. I have not the right to vote against it, because the federal government and certain provinces have made agreements, and I do not think it is my duty to try to have those agreements set aside. But as a senator and a member of parliament for Canada I have the right and duty to say that I think this system of finance is wrong. I am saying that not because Ontario has not signed an agreement, and not because Quebec has not signed an agreement, but because in my heart I believe that the system is wrong.

Hon. Mr. Nicol: Hear, hear.

Hon. Thomas Reid: Honourable senators, I wish to say a few words before the bill passes. I might not rise to offer any criticism on this occasion were it not for the fact that the persons who signed the agreement on behalf of British Columbia are now about to be relegated to private life. I well remember that when the dominion and the provinces were holding a conference in 1945 two things were held out to the provinces as—I will not say, a bait, but an attraction. They were told, first, that a tax rental agreement would obviate double taxation; and, secondly, that it would provide each province with a guaranteed minimum revenue. Well, around that time some people in this country were predicting a depression, and one or two provinces—we may as well be candid—were a little afraid that if they did not accept the terms of the agreement and their economy failed, they might be hard put to carry on.

My chief purpose in rising on this occasion is to draw the attention of the Senate, and of the government as well, to something that has occurred since the agreements were first put into effect, namely, an increasing demand by the people of all provinces for more help for education. Now, in British Columbia, as in other provinces, the cost of education bears largely upon the land.

Hon. Mr. Haig: It does in most provinces.

Hon. Mr. Reid: And the provincial cabinet ministers and other governmental authorities are not backward in telling the people, "Well, we are getting just so much from the dominion government and we cannot do any more for you." There is going to be an ever-increasing drive upon the federal authorities for more financial support of education. The other day I saw a statement that a new department of the Dominion Government is being mooted, to be known as the Department of Education and Culture. In my opinion the demand upon the federal authorities for more funds for education will be a permanent one.

I agree with the last two speakers that this system is not right, and that it is not good policy for a government to spend money where it does not tax. The provincial governments like the system—at least, the provincial governments that have signed the agreements do. I am not going to rehash any of the recent provincial election campaigns, but people from Saskatchewan tell me that during the campaign in that province not one word was said by members of the C.C.F. government about the amount of money that was being received from the dominion under the tax rental agreement; if people complained about the high taxes, they were told that the blame rested on Ottawa. A few years ago, when I was Parliamentary Assistant to the Minister of National Health, the federal grants for the various hospitals came before me after passing through the minister and the department, and I was amazed to find the Premier of British Columbia telling the minister that the announcement of any grants from the federal government should be made first from Victoria rather than from Ottawa. Evidently the premier wanted to take all the political credit for those grants, which were raised by taxes levied and collected by the federal government.

It is my opinion that the people are going to demand more services from government, and that, notwithstanding the British North America Act, increasing sums will be granted by the federal government for education here, for welfare there, for some other purpose elsewhere, and that bit by bit the responsibility for certain things that now rests with the provinces will become centralized at Ottawa. That development may be inevitable, but if it is I think the fact should be made plain to our people.

In the light of the recent election fiasco in British Columbia I am wondering how the agreement between that province and the dominion will be received by whoever takes office after the 3rd of July. Those who signed the agreement on behalf of the province will not be in public life much longer, and in these circumstances one feels freer to criticize than one otherwise would. In my opinion, the province which said least about what the Dominion Government is paying, is being better treated than British Columbia. You only have to consider our population and great industrial development in British Columbia to realize that we are not getting the benefit that we should get under the agreement. I admit that so long as the provincial economy is growing and business continues to expand, the province will benefit from this to some degree under the agreement; and that if we do run into a depression the province will receive at least the minimum amount guaranteed. I am opposed to the principle of this bill because it means that what was started as a temporary measure is now, bit by bit, becoming a permanent practice. The government of Canada is gradually taking over powers which under the British North America Act rightfully belong to the provinces.

Hon. Mr. Nicol: Hear, hear.

Hon. Mr. Reid: There is little to be gained by protesting at this stage, for the agreements have been signed by duly accredited representatives of the provinces, and it may well be asked what right we have to criticize. But I want to go on record today as opposing the principle of the bill, and to warn the government and the people of Canada that if it is the wish of the majority that authority be centralized in Ottawa, that should be plainly stated.

Hon. R. B. Horner: Honourable senators, I have only a few remarks to make. My criticism, unlike that expressed by my honourable friend from New Westminister (Hon. Mr. Reid), would be that the federal government put over rather a sharp deal on the province of Saskatchewan. When the income tax figures on the 1951-52 crop are disclosed, it will become more evident that Saskatchewan should be getting a few million dollars more than were agreed upon. A number of legal lights in that province who seem to be amassing fortunes, will be called upon to make substantial contributions by way of income tax. Perhaps it was because of the youth and inexperience of the Premier of Saskatchewan that the federal government was able to drive such a hard bargain.

As far as British Columbia is concerned, I think subsequent events will show that Ottawa was quite generous with that province.

My only object in rising at this time is to protest against the small amount awarded under the agreement with the province of Saskatchewan.

Hon. T. A. Crerar: Honourable senators, it is quite clear to me that this legislation should pass, but that does not prevent my offering some observations about the principle on which it is based. I am among those who believe that in a country as vast as Canada it is absolutely necessary to maintain the strength and independence of the provincial governments in their own fields.

Hon. Mr. Nicol: Hear, hear.

Hon. Mr. Crerar: That question was fully discussed when our constitution was framed, over eighty years ago, and it is a matter of history that the Canadian confederation of 1867 would never have taken place had there not been a recognition of the need for the development of the provinces. That cannot be gainsaid.

When the tax rental agreements were entered into, as has already been said, they were regarded as temporary in character. They came into effect during wartime, with the full approval of all or most of the provinces, to assist in meeting defence expenditures. It was later thought desirable that there should be a continuation of the arrangement, but I submit to my colleagues here today that the principle, whereby one government raises money and passes it over to another authority to spend it, is unsound and will lead to all sorts of bargaining and criticism.

We have a good example before us today of the type of dissatisfaction that can be expected. The honourable senator from Blaine Lake (Hon. Mr. Horner) complained that the agreement between the federal authorities and the province of Saskatchewan indicated sharp practice on the part of the federal authorities in negotiating a settlement with that province. I am satisfied that if an intelligent man like our colleague from Blaine Lake holds that view, many other Canadians share it with him. I put to the house this simple question: Is such an arrangement conducive to the harmony that must be maintained in this far-flung country if it is to make its way in the world? My answer is that it is not. It leaves ample opportunity for friction between governments, and for the placing of blame by one upon the other. I can foresee circumstances in which a provincial government, when asked to make certain expenditures, would come up with the ready excuse, "If Ottawa had been a little more generous with us we would be prepared to meet this demand; but Ottawa has given us only so much." That is not a desirable state of affairs.

I say that the only final solution to this question is a clear understanding between the federal authorities and the provinces as to where their relative powers and responsibilities begin and end. Each is independent of the other, as is clearly stated in our constitution, and the provinces should be in a position to raise the revenue necessary to meet their responsibilities. There is in Canada today a great deal of overlapping of the services and mixing up of the jurisdictions of the federal and provincial governments. Two examples of such duplication occur in matters affecting health and agriculture, both of which are handled in part by the two authorities, with no clear demarcation of where their respective responsibilities start and end. Such confusion can have no other effect than to add to the cost of administration. I hope that public opinion will demand a clear definition of the responsibilities of the dominion and the provinces, and that the provinces be placed in a position to raise sufficient revenue to discharge their obligations.

That simple proposition represents the approach made to the question by the body known as the Sirois Commission. That commission, as its findings show, did not march with the practice that has developed of making agreements such as these, by which the dominion hands over per capita grants to the provinces, irrespective of their financial needs. That was not the principle of the report; and I still maintain that an effort should be made to implement the spirit of the recommendations in that report. As honourable senators may recall, there was an attempt in that direction. After the report was received a provincial conference was held in Ottawa, but it failed to achieve anything because of objections by some provinces, that they might suffer if effect were given to the commission's recommendations.

As the honourable senator from New Westminster (Hon. Mr. Reid) has said, British Columbia is assured of an immense development in the next twenty-five years; it will have important financial institutions and great industrial plants. How long will it be willing to remain under an arrangement of this kind? The agreement has no prospect of permanency, no promise for the future, and I am in accord with the remark made by the honourable leader of the opposition (Hon. Mr. Haig) that sooner or later the entire subject will have to be reviewed and changes made along the lines I have indicated. The sooner that is done, honourable senators, in my judgment the better it will be for this country.

Hon. A. K. Hugessen: Honourable senators, I had not intended to say a word in this debate, but I am induced to offer one observation as a result of statements which have been made by speakers who have preceded me this afternoon. Every one, without exception, has said it is a bad principle, and one which should be avoided at all costs, that one government shall do the taxing and hand the money over to another government to spend, and it seems to be assumed that the agreements which we are now asked to ratify are, in that they create that supposedly vicious principle, a new departure. I would point out to my honourable friends that the position is absolutely different from and completely contrary to that. The principle of one government raising money for another to spend is written right into the British North America Act. It was determined at the time of confederation that the federal government, from the revenues it collected

through taxation, should pay to each province on a per capita basis an amount which was then expected to cover substantially the whole of the provincial expenditures.

My honourable friend from Churchill (Hon. Mr. Crerar) predicted that as a consequence of these agreements friction would occur between the federal government and the provincial governments. As a matter of history, ever since confederation there has been friction between the provincial governments and the federal governments on precisely that point—the amount of the subsidy which the federal government should pay. I believe that confederation had been in existence only two years when the provincial governments demanded increased subsidies. So I cannot see any force in the argument that these agreements we are now making with the provinces will increase friction. The friction has always been there.

Hon. Mr. Dupuis: May I ask the honourable senator if he will admit that there is a difference between a subsidy granted by the federal government to the provinces and grants to the provinces for education and other purposes?

Hon. Mr. Hugessen: Oh, yes. I am not dealing with that matter; I am dealing purely with the agreements between the federal government and the provinces.

Hon. Mr. Nicol: There was no agreement under the British North America Act to do what it is now proposed to do. The power that the federal government is using to collect the money is borrowed. When you borrow a thing you generally return it. It was borrowed first by Borden, then by King, and it has never been returned. If you borrow a thing and keep it permanently it is not borrowing, it is stealing; and the right of taxation is being stolen from the provinces.

Hon. Mr. Hugessen: When I steal something from somebody I take it without his permission and against his will. How can I be accused of stealing when I make an agreement with a man to temporarily hand over something to me? I do not think my honourable friend's simile has any validity whatever.

Hon. Mr. Reid: One can take something from an innocent child with his consent, and it is still theft.

Hon. Mr. Hugessen: I do not think the provincial governments are as innocent and as childish as all that.

I merely wanted to point out, honourable senators, that the principle of one government taxing and handing the money over to another government is not so vicious and dreadful as some honourable senators wish to make the house believe. It is a principle upon which confederation was founded, and has been continued ever since.

Hon. Mr. Crerar: Is my honourable friend arguing that the granting of subsidies at the time of confederation is on all fours with these agreements?

Hon. Mr. Hugessen: I think the principle is exactly the same.

Hon. Mr. Crerar: No.

Hon. Mr. Nicol: Oh, no.

Hon. Mr. Hugessen: As a matter of fact, by these agreements we are getting closer to the position which was taken at confederation, when the federal government was supposed to be collecting practically the whole of the taxes required by the provincial governments to enable them to carry on.

Hon. Mr. Crerar: The analogy is not a good one.

Hon. Mr. Hugessen: My honourable friend may disagree with me, but I think the analogy is extremely pertinent. I am not trying to make any great show of it. All I am doing is to point out that for one government to receive taxes for another government to spend is not some new and dreadful principle, and to be rejected on that account.

Hon. Mr. Reid: If ever I required an advocate I would take you.

Hon. Mr. Robertson: Honourable senators, under the circumstances, and in the brief time at my disposal, I shall make no attempt to discuss the general principle underlying this question. As has been pointed out, the problem is a difficult one, but I thoroughly agree with the deputy leader (Hon. Mr. Hugessen) in his statement that the principle involved is by no means a new one. Certainly it has existed since confederation, and indeed before confederation. I just happened to glance at the report of the Royal Commission on Dominion-Provincial Relations, and I found there a reference to the discussions which took place in Quebec in the year 1864 in connection with the basis of revenues for the four provinces which then comprised confederation. I quote from page 60 of book 1 of the report:

> The allocation of functions and revenues discussed at Quebec in 1864 meant roughly that the provinces would be left with $1½ million of local revenues to meet an estimated $4 million of local outlay while the Dominion was to be given $12 million in revenue to meet less than $9 million in outlay. It was proposed to balance the provincial budgets by transferring $2½ million to the provinces in the form of federal subsidies.

This system of allocation of functions and revenues, discussed at Quebec as long ago as 1864 is still continuing, and in principle

the legislation now before the house is just a part of this continuing system. I shall not undertake to say whether or not some new method of allocating revenues can be devised. The honourable gentleman from Churchill (Hon. Mr. Crerar) has said that sooner or later this entire subject will have to be reviewed and changes made along certain lines that he indicated; and indeed, if at some time the Finance Committee is looking for something to do it might well address itself to this problem.

Hon. Mr. Aseltine: But not at this session.

Hon. Mr. Robertson: I did not have that in mind, though it will be two or three days yet before we prorogue.

Honourable senators, I have had three tables prepared in connection with this matter, and I will put them on record for the information of the house.

The first table shows the percentage of federal subsidies to provincial revenues in the first fifteen years following confederation; in other words, the relation that the federal subsidies bore to the total revenues. The second table shows the percentage of federal subsidies and tax rental payments to total provincial revenues for the fiscal year 1950-51 for the eight agreeing provinces and for the two non-agreeing provinces. The third table shows the percentage of federal subsidies and tax rental payments to total ordinary provincial revenues under new tax rental agreements as estimated for the fiscal year 1952-53.

(*See Appendix No. 2 at end of today's report.*)

Since the time of confederation no system has been devised whereby the provinces, despite varying interests, could collect every dollar which they spent. This might be very desirable, and while a system which would bring this about has certainly not been achieved since confederation, there is no reason why we should not strive for it. In passing I would point out that in the first year after confederation 48·8 per cent of the revenues of the four provinces—Nova Scotia, New Brunswick, Quebec and Ontario—came from federal subsidies.

Hon. Mr. Horner: May I ask the honourable senator if at that time the provinces controlled their own natural resources?

Hon. Mr. Robertson: I suppose so, but I do not imagine they had reached the point of development which they subsequently reached.

Hon. Mr. Horner: The provinces in Western Canada did not have control of their own natural resources.

Hon. Mr. Robertson: I am speaking only of the four original provinces under confederation—Nova Scotia, New Brunswick, Quebec and Ontario.

In 1868, the first year after confederation, 59·7 per cent of all Quebec revenues came from federal subsidies, and the figures in the case of Nova Scotia, New Brunswick and Ontario were 68·5 per cent, 76·0 per cent and 30 per cent respectively. These percentages were pretty constant for the first fifteen years following confederation, but they gradually changed as the national resources of the provinces became more valuable. I think the average for some provinces dropped to somewhere in the vicinity of 8 per cent at one time when the relative value of statutory subsidies dwindled into insignificance as compared with the increased value of natural resources.

Whether it is good or bad, the principle of the provinces depending on the federal government for revenues was adopted with solemnity at the time of confederation, and whatever sovereign rights the provinces of Ontario, Quebec, Nova Scotia and New Brunswick may have surrendered when they entered confederation, they surrendered them with their eyes open. How much the percentages of federal subsidies to provincial revenues varied in the intervening years, and how they will vary in the future, is just a matter of degree.

Honourable senators, I think the best minds in the country should continue to be directed to this problem.

Hon. Mr. Nicol: May I ask the honourable leader a question?

Hon. Mr. Robertson: Certainly.

Hon. Mr. Nicol: The provincial subsidies were fixed once and for all by the British North America Act in 1867—though it was afterwards amended—at so much per head of the population of each province. Were those subsidies intended to be based on the prosperity of the country and the national income? I admit that during the first years of confederation the revenues collected by the provinces were very small.

The Hon. the Speaker: I must remind the honourable senator from Bedford (Hon. Mr. Nicol) that he asked permission to put a question.

Hon. Mr. Nicol: My question is this. Does the leader claim that the percentage of the federal subsidy to Quebec's revenue remained at approximately 60 per cent for the first fifteen years of confederation? He has not given the percentages in the intervening years, and I do not think that is fair.

Hon. Mr. Robertson: I believe I did say that these percentages remained fairly constant for the first fifteen years following confederation. I would point out, however, that the average percentage of federal subsidies to Quebec was 45·1 per cent for the first fifteen years of confederation, almost 15 per cent lower than the 59·7 per cent paid to Quebec in the first year of confederation. I admit that the percentage of federal subsidies to provincial revenues has become less, and, as I said before, at one time it fell as low as 8 per cent in some provinces. There certainly has been a downward trend. Let us suppose that in its wisdom the Province of Quebec agreed to the minimum payments contemplated under the Tax Agreement now before the house, the third table which I have placed on record shows that the percentage of the total recorded for Quebec, based on its budget estimates for this year, would be about 45 per cent. That is about what the average was for the first fifteen years of confederation. I am not arguing the merits or demerits of the scheme; I am simply giving the figures.

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

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move the third reading now.

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

CURRENCY, MINT AND EXCHANGE FUND BILL

FIRST READING

A message was received from the House of Commons with Bill 390, an Act respecting Currency, the Royal Canadian Mint and the Exchange Fund.

The bill was read the first time.

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

Hon. Mr. Robertson: Next sitting.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 306, an Act to amend the Combines Investigation Act and the Criminal Code.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 306, an Act to amend the Combines Investigation Act and the Criminal Code, have in obedience to the order of reference of June 18, 1952, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 4: delete lines 15 to 21, both inclusive and substitute the following:

"(3) Before exercising the power conferred by subsection one, the Director or his representative shall produce a certificate from a member of the Commission, which may be granted on the *ex parte* application of the Director, authorizing the exercise of such power."

2. Page 4, line 25: delete the word "sixty" and substitute the word "forty".

3. Page 4, line 27: after the word "Commission" insert the words "for cause".

4. Page 14, line 27: after the word "time" insert the words "within three years".

5. Page 16: delete line 4 and substitute the following:

"a fine in the discretion of the court or to imprisonment for a term not exceeding two years or both."

6. Page 16, line 15: before "thereafter" insert the words "within three years".

7. Page 16, line 16: delete the words "for such period as it deems advisable".

8. Page 16, line 37: delete the words "imprisonment for a term not exceeding two years" and substitute the following:

"a fine in the discretion of the court or to imprisonment for a term not exceeding two years or to both."

9. Page 19, line 4: after the word "practices" delete the word "that" and insert the following:

"having relation to any commodity which may be the subject of trade or commerce and which conditions or practices".

10. Page 21, line 16: delete the words "imprisonment for a term not exceeding two years" and substitute the following:

"a fine in the discretion of the court or to imprisonment for a term not exceeding two years or to both".

11. Page 21, lines 25 and 26: delete the words "imprisonment for a term not exceeding two years" and substitute the following:

"a fine in the discretion of the court or to imprisonment for a term not exceeding two years or to both".

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

Hon. Mr. Robertson: Next sitting.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Banking and Commerce on Bill 346, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1952, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred Bill 346, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1952, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company, have in obedience to the order of reference of June 25, 1952, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave, I move the third reading now.

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

EXTRADITION

APPROVAL OF SUPPLEMENTARY CONVENTION WITH UNITED STATES

The Senate resumed from Tuesday, May 27, 1952, the adjourned debate on the motion of Hon. Mr. Hugessen:

That it is expedient that the Houses of Parliament do approve the Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900, and this house do approve the same.

Hon. Mr. Beaubien: Honourable senators, the order for resumption of the adjourned debate stands in my name. I now move that the resolution be passed.

The Hon. the Speaker: Honourable senators, is it your pleasure to pass this resolution?

Some Hon. Senators: Carried.

Hon. Mr. Farris: On division.

Hon. Mr. Haig: On division.

The motion was agreed to, and the resolution was agreed to, on division.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, I had intended to suggest that the Banking and Commerce Committee meet this evening to consider bills that have just come over to us, the subject matter of which was referred to the committee in anticipation of our receiving the bills. However, I do not now think that any useful purpose would be served by this. We have gone through a great deal of work in committee today, and if the committee meets tomorrow morning we shall be just as far ahead as if it met tonight. I therefore wish to inform the house that the committee will be meeting at 11 o'clock tomorrow morning.

The Senate adjourned until tomorrow at 3 p.m.

THE ESTIMATES

APPENDIX No. 1

The Standing Committee on Finance, to whom were referred the Estimates laid before Parliament for the fiscal year ending March 31st, 1953, reports as follows:—

On March 26th, 1952, the following Order passed the Senate:

> That the Standing Committee on Finance be authorized to examine the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending March 31, 1953, in advance of the Bills based on the said Estimates reaching the Senate; that it be empowered to send for records of revenues from taxation collected by the Federal, Provincial and Municipal Governments in Canada and the incidence of this taxation in its effect upon different income groups, and records of expenditures by such governments, showing sources of income and expenditures of same under appropriate headings, together with estimates of gross national production, net national income and movement of the cost-of-living index, and their relation to such total expenditures, for the year 1939 and for the latest year for which the information is available, and such other matters as may be pertinent to the examination of the Estimates, and to report upon the same.
>
> That the said Committee be empowered to send for persons, papers and records.

Due to the Senate adjournment for the Easter recess, Your Committee did not begin its enquiry until the beginning of May.

At its first meeting Your Committee decided that in a general way the enquiry should be made along the same lines as last year and, with this in view, data were secured similar to that provided a year ago. This added another year for study and comparison. Appended to this report, therefore, are several exhibits which, if studied with care, present a fair picture, not only of the Federal Government's revenues and expenditures, but that of the Provinces and Municipalities as well.

All Canadians, wherever they may be, pay taxes to three governing authorities, Municipal, Provincial and Federal. They tend to look at each one of these apart from the others, whereas the really important thing for the Canadian taxpayer is not the taxation he has to meet from each of these governing authorities, but what he has to meet from all combined. It may be added here that the data provided in these exhibits come from official sources, mainly from the Bureau of Statistics which has a wealth of information on all aspects of the Canadian economy.

Exhibit I in the appendices gives an analysis of the main estimates submitted by the Government during the present session of Parliament by standard objects and special categories of expenditures. This, with the explanatory notes attached to it, gives a clear picture of how the Government proposes to spend the money entrusted to it. Your Committee was helped much in its inquiry by the detailed analyses by Departments of the total of these standard objects and special categories which were included in the book of estimates

submitted to Parliament. The general pictures can be seen in the Table attached as Exhibit I. As examples: It will be noted that the total money required for travel and removal expenses for all government purposes is well over 46 million dollars, of which just about 14 millions is for purely civilian needs and 52 millions for defence and defence production. Your Committee feels certain that this amount of 46 million dollars could be sharply reduced without injury to the public interest. As another example, we take office stationery, supplies, equipment and furnishings. Here 18 million dollars is provided, of which over 12 millions is for purely civilian purposes. Surely all this could be much reduced without hurt to efficient administration.

We draw attention also to a few other items of substantial increase in the estimates for the present fiscal year as against the previous year. In the item of materials and supplies the increase is from approximately 39 million dollars to over 43 million dollars. Under the heading of construction or acquisition of buildings, the total amount spent in the last fiscal year was 127 million dollars, which increases this year to 136 million dollars, or an additional 9 million dollars. Under repairs and upkeep, a similar increase is approximately one million, four hundred thousand dollars. Under the item of rentals the increase for the present year as against the last is 750 thousand dollars. That is, in the present year the estimates provide for spending 750 thousand dollars more for renting premises for government purposes than the previous year. It should be borne in mind that these increases are for purely civilian purposes apart from defence and defence production, and are at a time when the strains are heavy upon our economy for the latter purposes. Governments are more often criticized because they spend too little than because they spend too much, and too often those in opposition to government criticize the governments they oppose because more money is not being spent for roads, or welfare, or hospitals, this or that or the other thing.

Your Committee believes that there needs to be a new approach everywhere to the business of public spending. The increasing tendency of people to demand that the government do something about all kinds of problems which the community or the individual should solve for itself or himself is, we believe, accountable for much mounting public expenditure and, if not checked, bids fair to undermine our present system of government.

A further observation requires to be made here. We draw attention to the items in the civilian Estimates that have to do with the construction or acquisition of buildings and works, their repairs and their upkeep, and rentals for buildings which different Government Departments require. The total amount under these three items found in the Public Works Department Estimates is slightly in excess of 80 million dollars. The total for all Departments of Government under these items is in excess of 163 millions. Under the Public Works Act, the Public Works Department of Canada has the responsibility of providing and maintaining all the public buildings and works required by the other Civilian Departments. It is true Part II of the Public Works Act makes an exception to the effect that the Governor in Council "may at any time transfer the management, charge and direction of any public work, or any power, duty or function with respect to any class of works, whether public or private, which is assigned to or vested by Statute in any Minister or Department, to any other Minister of Department." But surely this was only intended to meet special circumstances, and was never intended to be used in the broad sense in which it is used today.

From the figures just quoted, it would appear that other Departments of Government combined are directly spending more for these purposes than the Public Works Department which is primarily charged with this responsibility. For example, the Post Office Department, which requires public buildings all over Canada, either through building or rental for Post Office purposes, and requires to have them repaired and maintained, has all this work done by the

Public Works Department, as was intended under the Act. The question naturally arises, why should this not be done for other civilian Departments of Government ? When, for example, the Department of Agriculture, or National Revenue, or National Health and Welfare, directly provides for their own needs by building, or rental or both, they have to provide their own architects, their own engineers, and their own servicing establishment generally. It certainly appears that this can have no other effect than duplication and overlapping and the inevitable general increase in costs that is bound to result from this practice.

There are exceptions in the case of Departments which have services abroad. The office space and maintenance which they require abroad will be secured more economically by such a Department directly. But practically all of these expenditures, to which attention is drawn, are within Canada and, with very few exceptions, as for example the maintenance of buildings and roads in National Parks, we do feel that this part of the administration of our public business should be under Public Works.

In Exhibit II will be found the combined revenues and expenditures of all Governments in Canada for the year 1939, taken as a base year, and for the years 1949 and 1950, with the sources from which governments obtained their revenue and the purposes for which they spent it. Since the Public Finance Division of the Bureau of Statistics has not the complete data for 1951, only preliminary estimates are given for this year. For 1952 comparable data for all governments have yet to be unfolded; but Your Committee thinks it is a fair assumption that for this present year all governments combined will take from Canadian taxpayers in excess of 6 billion dollars, and will spend somewhat short of that amount.

In the Federal field the need for increased revenue and, as a result, increased taxation, arises mainly from rapidly expanding defence expenditures, which this year will be over 2 billion dollars; and expanding welfare costs which, for the same period, if we include soldiers' pensions and allowances, at all levels of government, will be at least 1½ billions of dollars, of which more than two-thirds is for Federal account. Of this latter amount two items, Old Age Pensions with Pensions for the Blind, and Family Allowances, will require over 675 million dollars.

In this connection it is interesting to note that in the year 1951 the Canadian people spent, on

(1) Alcoholic beverages	$ 651,000,000.00
(2) Tobacco in various forms.....	422,000,000.00
(3) Race track betting.....	55,000,000.00
(4) Soft drink beverages of all kinds.....	158,000,000.00
(5) Commercial recreation	160,000,000.00
or a total of	$1,446,000,000.00

This total is almost equal to the total amount spent under the general heading of Social Security. It is sometimes argued that the taxes collected for Social Security goes back directly to the taxpayers, and so should be regarded as a sort of credit to the taxpayers accounts. But this is not so. The money collected in taxes for security benefits, in large aggregate, passes from the taxpayer to a different person. We are not concerned here with the merits or demerits of this, but simply to say that on any reasonable basis it can only be regarded as part of the tax burden.

Your Committee thinks that in a young country like Canada, with its immense resources and with greater opportunity for the individual to make his

way than can be found in any other part of the world, Social Security measures as a whole should be reviewed and assessed in the light of sound national development.

Exhibit III deals with the figures on national income and gross national product, and data is given for all the yars from 1939 to and including 1951. Perhaps, for the purposes of clarity, the distinction between gross national product and net national income should be repeated here. Gross national product is the total gross income of all the people of Canada from all sources, which can be compared to the gross income of a business corporation, a farmer or a labouring man. To arrive at the net national income, certain deductions must be made from the gross product. In the course of a year machinery employed to produce the gross national product has to be depreciated, since all machinery tends to wear out within a limited time. The same thing is true of houses and automobiles. When all these and similar charges are put together they are deducted from the gross product. The result may be described as the net national income.

It is out of this net national income that all people in Canada meet their total living expenses and, since Canadians enjoy a high standard of living, this amount is the major item. In the second place, there has to be deducted the amount all citizens pay to their various Governments in taxes. Speaking generally, what is left is the volume of savings, which may be invested in life insurance policies, Bonds of Governments or of Corporations, or annuities, or in business undertakings of one kind and another, or retained by individual Canadians as a protection against their future needs.

Here we must pay a well deserved compliment to the Minister of Finance who, in his annual budget speech, and especially in the white paper that accompanied the budget statement, gave a vast amount of information on how and why the Canadian economy is working at the highest level reached in our whole history. The Minister estimated that our gross national product for the present fiscal period would be about 22½ billion dollars. This should leave a net national income of approximately 18 billion dollars. If we could be certain that our economy would continue to expand as it has done in recent years, your Committee thinks that Canadians could feel reasonably secure for their future; but we should recognize clearly also that, if cold and chilling winds blow upon us, the result might be greatly different. Indeed, the Minister drew attention to this possibility in his budget speech when he said "Every Honourable Member will agree, I hope, that it is not possible to predict with certainty the level of prices during any future twelve months to within 1 per cent. Yet, on a gross national product of 20 billion dollars, the difference between a 1 per cent rise and a 1 per cent fall in prices during the year is a difference of 400 million dollars in gross national product. Under our present tax structure, such a slight change in price could produce a difference of from 80 to 85 million dollars in our revenues": This is a significant and important statement.

It is well to remember that if our economy remains buoyant, and we reach 18 billion dollars of net national income, the Canadian people will pay in taxes for this period, to all their governments, just about one-third of this amount. Everyone will admit that this heavy burden of taxation, brought about in a substantial degree by the large defence spending, is certainly about the limit, or even beyond the limit that Governments can with safety take from the taxpayers. We have no guarantee that, so far as our economy is concerned, we shall continue indefinitely to live in the sunshine. It should be kept in mind that about half the increase that has taken place in our gross national product, and therefore in our net national income, over the last twelve years, has been due to the persistent inflation of our economy. On the value

of the pre-war dollar, the total representing product and income would be about half what they are today. This is equally true of other countries as well.

Amid all the good times we have experienced in recent years, it should never be forgotten that the Canadian economy is very vulnerable in one important aspect, and that is in our continued ability to sell our products abroad. We have now daily evidence in this matter through the effects produced by exchange difficulty in the sterling area. We see emerging once more, since the end of the war, the tendency toward further restrictions on trade by some of the countries in which we ordinarily sell a large amount of our surplus. If, for the reasons just cited and for other reasons which might be added, we find increasing difficulty in getting into the markets of the world, then there is little doubt of the effect it will produce on our economy at home. We have seen the effect produced by foot and mouth disease where our large market for cattle in the United States has been completely shut off for the time being. Ordinarily, British Columbia and Eastern Canada sell much of their forest products in the sterling area. For reasons already stated, this market has been greatly curtailed. These are instances of what might happen to us. These are the imponderables which largely influence the manner in which our economy operates. If we lose a market, as is the case for the time being with our livestock, or if we lose our markets for forest products, or for any of our other products, almost certainly someone will demand to know what some government or other proposes to do about it. If the government gives the relief that may be demanded it can only be done at the expense of the taxpayers. And if this attitude of mind, so prevalent in recent years, which in increasing degree demands that some government or other must find a solution for the problems of the individual, or the community, continues to grow, and as far as possible to be met, we are assuredly on the slippery slope that will land us in ever increasing difficulties. If, within the next few years, we should have a 20 per cent decline in prices, or lose 20 per cent of our foreign markets, what happens to the edifice of expenditures we have built up in the days of sunshine? This problem is worth thinking about. Moreover, the gaining of world markets and increased trade means competition. This in turn involves cost of production, and here labour costs is the most important item. There is abundant evidence to show that notwithstanding the increase in prices that has taken place since the end of the war, labour generally has quite substantially improved its position. In other words, notwithstanding the increase in prices, what labour receives today for a day's work will buy substantially more than what labour received six years ago for a similar day's work; and it should not be overlooked either that the business corporation, be it large or small, or the individual business man looking after his own business will as far as he possibly can put into the price of goods he sells the increased costs that have to be provided in the carrying on of business. This applies in an equal degree to the taxes that business generaly has to pay. Wherever possible they are passed on to the consumer and this, in the conduct of human affairs, is inevitable, human nature being what it is.

Without question Canada is at one of the great crossroads of its history. Without question the essence of the struggle between free men and the autocratic states is the maintenance of our personal freedom and liberty. In the short view this is obscured by the individual's concern with his personal affairs. As a people we may be thinking too much of security for the moment, and not enough of where we will be if the dark forces of tyranny overwhelm us. We are thinking too much of our enjoyments, of what we can get rather than what we can give. In the long run these are the things that vitally matter. In a society where the tendency is for each group to scramble for all it can get, regardless of its effect on others, we have in the present state of world affairs a society that may be headed for the abyss.

Exhibit IV—as an appendix to this report—covers reported numbers of employees of the Government of Canada, excluding members of the Armed Forces and the R.C.M.P., as at March 31st, 1939, 1948, 1949, 1950, 1951 and 1952. From this appendix it will be noted that between March 31st, 1951, and the corresponding date in 1952, the total employees of the Government of Canada increased by just about 13,000. Of this increase slightly more than 10,000 is in the services of the Defence Department (it should be kept in mind that these are civilian employees), and the total in the Defence Department has now reached almost 40,000. The Wartime Prices and Trade Board, which reported 260 employees a year ago, has been wound up. A study of this Table will indicate where the other increases over the past year have taken place. These increases outside the Defence Department can be laid at the door of expanding Government services. The increased cost is not confined to the increase in Government servants. It means increased demands for office space and increasing costs for all the things the servants need to do their work.

While Your Committee recognizes that an increasing population may require correspondingly increased expenses by governments at all levels, nevertheless the increasing costs of the whole apparatus of Government in Canada is a matter for concern. Here the truth needs to be recognized—that if the people demand more services from their Municipalities, their Provincial Governments, or the Federal Government, they must expect that their taxes will have to be increased. While Your Committee has no data on what is happening in this respect at the Provincial and Municipal level, we still think it fair to say that these increasing costs of Government administration will be found, with exceptions here and there, in all levels of the vast mechanism of Government in this country. If the public insists that the administrative costs of Governments be reduced—as many think they should—it cannot reach this desirable end unless it rids itself of the idea that governments have to dance when it calls the tune or more expenditures.

In Exhibit V will be found the movement of the cost-of-living index from the year 1945 down to the present time, with the changes recorded month by month for 1950, 1951 and 1952 to March 1st. Since the latter date a further slight reduction has taken place. The movement of this cost-of-living index reflects the inflation that has taken place since 1945, where the index stood at 119·5 compared with 1935 to 1939, as represented by 100. During the war years the cost-of-living was held stable because of the controls over wages, salaries, and prices maintained during the war; the increase of 19·5 points having occurred before these controls were made effective in November, 1941. There are those who urge a return to control of prices but this, without a similar control on wages and salaries, would not be worth the paper it was written on.

The further inflation which seriously threatened—even a year ago—has been brought under a measure of control. But while the forces of inflation have apparently been checked, they may easily flare up again. The possibilities of further inflation in the United States appear to be by no means over. The prospect there is for a heavy government deficit and, when governments do not pay their way, the result is bound to be inflationary. In addition, labour in the United States is demanding sharply increased wages—definitely another inflationary factor. In Canada we may still face demands of a similar kind. If further inflation should take place in the U.S., Canada could not escape the consequences of it. About all that can be said is that we have no clear chartered course before us. We do not know from which direction the gales may come upon us; yet we can safely assume that if we practice moderation in our own personal expenditures, and if our governments practice care and economy in the spending of the funds the taxpayers have given them, we will have at least taken in some measure some protection against the uncertainties of the future.

Mr. Gilbert Jackson, a well-known Economist of Toronto, in giving evidence before Your Committee, all of which is reported in the Minutes of the Proceedings of the Committee, stated that to increase the gross national product by one dollar required that almost five dollars be saved and invested. Mr. Jackson's data to support this impressed the Committee with its soundness. Your Committee also had as a witness Mr. Monteath Douglas, Director of the Canadian Tax Foundation, whose head office is in Toronto. Mr. Douglas also gave the Committee useful information and it likewise can be found in the Minutes of the Proceedings.

As a result of our enquiry, we suggest the following recommendations:

(1) There has been an increasing volume of publications from Government Departments. Your Committee feels that much of this is unnecessary and useless and should be completely overhauled. We recommend strongly that Departments be required to budget for their postage and that the franking privilege—now general among all Departments for the stuff they imagine they need to send out to the public—should be restricted wholly to the personal mail of Members of Parliament when Parliament is in session. This would tend to limit the publication of material to what was necessary and useful. Consideration should be given by the Government to making a fair charge for necessary Government publications, such as geological surveys, maps and scientific publications, and the like.

(2) The growing practice for other Departments of Government to bypass Public Works Department and build up little Public Works branches of their own, should cease, and all such work placed in charge of the Public Works Department, where the law intended it should be.

(3) We suggest that beneficial results would follow the holding of a Conference between the Provinces and the Federal authority for the purpose of finding where economies, as between their administrations, could be brought about. We believe important savings in the cost of government as a whole could be found, with important benefits to the Governments concerned, and their taxpayers as well.

This brings us to the conclusion of our report:

That the tax burdens of the Canadian people are heavy no one will deny. At the Federal level we propose to spend 2,000 million dollars, or about $4.00 out of every $9.00 for defence, and no one can say how long we shall have to sustain this burden. With the passing of time the conflicts between those countries where freedom has entirely disappeared and the freedom-loving Western nations certainly are not growing less, but are becoming deeper and more intense. It is not given to mankind today to know what will come out of all this turmoil and conflict; but if we are wise we shall realize that we may have to live in this kind of world for many years to come. If we are to win out in the end—along with the nations associated with us—we must keep our resolution strong and our vision clear. There are no saner, steadier people anywhere in the world than the Canadian people, and they must have courageous leadership to guide them along the right paths. In these dangerous days we cannot have both ease and sacrifice. If we put both ease and security first—and if the other Western nations do the same—then undoubtedly in the end we will have lost our ease and security because we have lost our freedom.

Your Committee wishes to express its thanks to all the witnesses who appeared before it for the assistance they gave to the Committee in carrying on its work.

All which is respectfully submitted,

T. A. CRERAR,
Chairman.

OTTAWA, June 19th, 1952.

Exhibit No. 1

SUMMARY OF ANNUAL ESTIMATES BY STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES

This Summary, which is similar in form to the one prepared in the spring of 1951, sets out, by Standard Objects and Special Categories, the provision included in the Estimates for the current and certain previous years. The detail for the current year (1952-53) has been taken directly from the "Summary of Standard Objects of Expenditure and Special Categories" which is enclosed in an envelope at the back of the Blue Book of Estimates for 1952-53. The figures for 1951-52 exceed those shown on that "Summary" because they have been increased by the amounts included in the Further Supplementary Estimates (2) and (3), 1951-52, which were passed on April 1, 1952. For each past year, total Estimates are shown in each case.

As was indicated in the notes concerning the Summary which was prepared last year, the Estimates for 1949-50 and 1938-39 were not susceptible to accurate classification on this basis as the Estimates of more recent years have been because the breakdowns for those years did not conform in all instances to the Standard Object pattern. Where accurate classification was not possible, judgment was exercised in deciding where to include the items in question. Moreover, in some places, where provision was made for a combination of purposes now covered by separate Standard Objects, it was only possible to arrive at a rough proportionate breakdown among the Objects now used.

Minor adjustments have also been made in the figures for 1951-52 where Objects have since been re-defined in an effort to improve the classification but, apart from four major readjustments, it has not been thought worth while to carry minor adjustments back into the figures for the earlier years, because such adjustments require a disproportionate expense in tracing details in various departments.

SUMMARY OF ANNUAL ESTIMATES BY STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES

DEPARTMENT OTHER THAN DEFENCE

	1952-53 (000's omitted)	1951-52 (000's omitted)	1950-51 (000's omitted)	1949-50 (000's omitted)	1938-39 (000's omitted)
(1) Civil salaries and wages	333,888	309,552	284,505	276,931	74,271
(2) Civilion allowances	7,631	6,674	5,964	5,172	1,183
(3) Pay and allowances R.C.M. Police	17,138	14,741	10,157	8,227	3,750
(4) Professional and special services	25,904	27,349	23,926	22,155	4,104
(5) Travelling and removal expenses	13,991	14,425	13,816	12,808	3,504
(6) Freight, express and cartage	2,598	2,573	2,159	2,097	479
(7) Postage	3,275	3,203	3,092	2,918	449
(8) Telephones, telegrams and other communication services	5,638	5,009	4,740	4,475	689
(9) Publication of departmental reports and other material	4,368	4,526	4,250	3,950	....
(10) Films, displays, advertising and other informational publicity	7,347	7,146	6,681	6,155	1,794
(11) Office stationery, supplies, equipment and furnishings	12,135	12,220	11,537	11,356	2,464

	1952-53 (000's omitted)	1951-52 (000's omitted)	1950-51 (000's omitted)	1949-50 (000's omitted)	1938-39 (000's omitted)
(12) Materials and supplies	43,082	39,978	37,627	32,920	5,957
Buildings and works, including land—					
(13) Construction or acquisition	136,449	131,094	146,679	144,949	30,631
(14) Repairs and upkeep	17,790	16,430	18,392	15,103	2,958
(15) Rentals	8,840	8,303	8,031	7,194	1,763
Equipment—					
(16) Construction or acquisition	20,846	18,206	19,980	16,482	2,013
(17) Repairs and upkeep	5,850	5,322	5,050	4,386	584
(18) Rentals	1,144	1,083	1,162	597	....
(19) Municipal or public utility services	6,991	6,193	5,334	4,371	924
(20) Contributions, grants, subsidies, etc., not included elsewhere	99,803	115,615	182,935*	116,023	50,629
(21) Pensions, super-annuation and other benefits	17,857	116,296*	87,387*	9,168	5,446
(22) All other expenditures (other than special categories)	17,628	16,158	20,881	31,689	12,254
Total standard objects	810,183	882,096	904,285	739,126	205,846
Special Categories					
(23) Interest on public debt and other debt charges	435,518	437,674	433,046	451,441	132,368
(24) Subsidies and special payments to the provinces	32,308*	115,135	106,335	127,365	21,210
(25) Family allowances payments	332,150	320,000	307,000	284,880	....
(26) Old age pensions and assistance and allowances to the blind	345,000*	187,350*	104,697	74,646	30,541
(27) Veterans disability pensions and other payments under the Pension Act	125,546	103,775	99,739	101,589	40,920
(28) Other payments to veterans and dependents	40,653	56,811	63,578	92,929	9,445
(29) Government's contribution to the unemployment insurance fund	32,000	30,200	26,350	23,000	....
(30) General health grants	27,500	25,000	25,000	33,200	....
(31) Trans-Canada highway contributions	15,000	15,238	21,350	....	....
(32) Movement of mail by land, air and water (Post Office)	40,054	38,185	38,557	34,104	15,574
(33) Deficits—government owned enterprises	2,971*	17,895	10,778	49,407	57,185
Total special categories	1,428,700	1,347,263	1,236,430	1,272,561	307,243
Total standard objects and special categories	2,238,883	2,229,359	2,140,715	2,011,687	513,089
(34) Less estimated savings and rcoverable items	9,523	24,930*	4,886	2,772	104
Net Total estimated expenditures	2,229,360	2,204,429	2,135,829	2,008,915	512,985

NOTES*

(20) Includes a payment of $65 million to the Canadian Wheat Board.
(21) Includes $75 million in 1950-51 and 1951-52, being the First and Second Instalments of a special Government Contribution to the Civil Service Superannuation Account.
(24) Does not include payments of Compensation to Provinces which will undoubtedly be required when new Tax Rental Agreements are entered into in 1952. Only the final instalments payable under existing Agreements are included in this amount.
(26) This category includes the amount shown in the Estimates as the total payments of Old Age Security pensions from the Old Age Security Fund.
(33) Does not include in 1952-53 such items as the C.N.R. Deficit as the practice has been to provide for such items in the Further Supplementary Estimates at the end of the fiscal year.
(34) Includes a $19 million adjustment entry (anticipated revenue from specific taxes earmarked for the Old Age Security Fund—Vote 608, Further Supplementary Estimates (2), 1951-52), but no such adjusting item is included for 1952-53.

SUMMARY OF ANNUAL ESTIMATES BY STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES

NATIONAL DEFENCE, *DEFENCE PRODUCTION AND CIVIL DEFENCE

	1952-53 (000's omitted)	1951-52 (000's omitted)	1950-51 (000's omitted)	1949-50 (000's omitted)	1938-39 (000's omitted)
(1) Civil salaries and wages	81,429	61,790	44,625	41,611	2,586
(2) Civilian allowances	715	1,104	487	316	2
(3) Pay and allowances, defence forces	251,494	208,597	138,346	112,526	11,395
(4) Professional and special services	11,767	8,675	4,822	3,897	198
(5) Travelling and removal expenses	32,430	22,188	13,985	10,964	1,101
(6) Freight, express and cartage	17,951	10,797	8,660	5,974	167
(7) Postage	463	479	255	253	6
(8) Telephones, telegrams and other communication services	5,239	3,477	2,409	2,074	57
(9) Publication of departmental reports and other material	2,619	2,175	1,381	1,276	....
(10) Films, displays, advertising and other informational publicity	3,115	3,616	1,995	1,022	5
(11) Office stationery, supplies, equipment and furnishings	6,164	6,071	2,488	1,662	232
(12) Materials and supplies	383,342	296,221	108,225	64,568	190
Buildings and works, including land—					
(13) Construction or acquisition	330,784	311,465	77,160	52,384	4,261
(14) Repairs and upkeep	39,608	30,054	20,537	15,448	1,046
(15) Rentals	1,276	1,050	974	840	....
Equipment—					
(16) Construction or acquisition	711,504	609,279	127,142	73,988	12,265
(17) Repairs and upkeep	139,752	98,772	62,074	45,604	588
(18) Rentals	2	....	....	....	....
(19) Municipal or public utility services	5,754	3,576	3,402	2,964	....
(20) Contributions, grants, subsidies, etc., not included elsewhere	3,696	1,862	4,190	1,383	104

*No provision for Defence Production during 1938-39. For 1949-50, only Canadian Arsenals, Limited is included in the figures in this table.

	1952-53 (000's omitted)	1951-52 (000's omitted)	1950-51 (000's omitted)	1949-50 (000's omitted)	1938-39 (000's omitted)
(21) Pensions, superannuation and other benefits	35,743	36,234	16,163	14,365	2
(22) All other expenditures (other than special categories)	42,164	13,163	206,849	6,838	1,762
Total standard objects	2,107,011	1,730,645	846,169	459,957	35,967
(23)-(33) Special categories	....	....	....	....	....
Total standard objects and special categories	2,107,011	1,730,645	846,169	459,957	35,967
(34) Less estimated savings and recoverable items	575	2,723	55,186	68,823	....
Net total estimated expenditures	2,106,436	1,727,922	790,983	391,134	35,967

SUMMARY OF ANNUAL ESTIMATES BY STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES

TOTAL, ALL DEPARTMENTS

	1952-53 (000's omitted)	1951-52 (000's omitted)	1950-51 (000's omitted)	1949-50 (000's omitted)	1938-39 (000's omitted)
(1) Civil salaries and wages	415,317	371,342	329,130	318,542	76,857
(2) Civilian allowances	8,346	7,778	6,451	5,488	1,185
(3) Pay and allowances, defence forces and R.C.M. Police	268,632	223,338	148,503	120,753	15,145
(4) Professional and special services	37,671	36,024	28,748	26,052	4,302
(5) Travelling and removal expenses	46,421	36,613	27,801	23,772	4,605
(6) Freight, express and cartage	20,549	13,370	10,819	8,071	646
(7) Postage	3,738	3,682	3,347	3,171	455
(8) Telephones, telegrams and other communications services	10,877	8,486	7,149	6,549	746
(9) Publication of departmental reports and other material	6,987	6,701	5,631	5,226	....
(10) Films, displays, advertising and other informational publicity	10,462	10,762	8,676	7,177	1,799
(11) Office stationery, supplies, equipment and furnishings	18,299	18,291	14,025	13,018	2,696
(12) Materials and supplies	426,424	336,199	145,852	97,488	6,147
Buildings and works, including land—					
(13) Construction or acquisition	467,233	442,559	223,839	197,333	34,892
(14) Repairs and upkeep	57,388	46,484	38,929	30,551	4,004
(15) Rentals	10,116	9,353	9,005	8,034	1,763
Equipment—					
(16) Construction or acquisition	732,350	627,485	147,122	90,470	14,278
(17) Repairs and upkeep	145,602	104,094	67,124	49,990	1,172
(18) Rentals	1,146	1,083	1,162	597	....
(19) Municipal or public utility services	12,745	9,769	8,736	7,335	924
(20) Contributions, grants, subsidies, etc., not included elsewhere	103,499	117,477	187,125*	117,406	50,733

	1952-53 (000's omitted)	1951-52 (000's omitted)	1950-51 (000's omitted)	1949-50 (000's omitted)	1938-39 (000's omitted)
(21) Pensions, superannuation and other benefits..	53,600	152,530*	103,550*	23,533	5,448
(22) All other expenditures (other than special categories)	59,792	29,321	227,730	38,527	14,016
Total standard objects	2,917,194	2,612,741	1,750,454	1,199,083	241,813
Special Categories					
(23) Interest on public debt and other debt charges..	435,518	437,674	433,046	451,441	132,368
(24) Subsidies and special payments to the provinces	32,308*	115,135	106,335	127,365	21,210
(25) Family allowances payments	332,150	320,000	307,000	284,880	....
(26) Old age pensions and assistance and allowances to the blind.....	345,000*	187,350*	104,697	74,646	30,541
(27) Veterans disability pensions and other payments under the Pension Act	125,546	103,775	99,739	101,589	40,920
(28) Other payments to veterans and dependents	40,653	56,811	63,578	92,929	9,445
(29) Government's contribution to the unemloyment insurance fund ...	32,000	30,200	26,350	23,000	....
(30) General health grants	27,500	25,000	25,000	33,200	....
(31) Trans-Canada highway contributions	15,000	15,238	21,350	....	....
(32) Movement of mail by land, air and water (Post Office)	40,054	38,185	38,557	34,104	15,574
(33) Deficits—Government and enterprises	2,971*	17,895	10,778	49,407	57,185
Total special categories..	1,428,700	1,347,263	1,236,430	1,272,561	307,243
Total standard objects and special categories	4,345,894	3,960,004	2,986,884	2,471,644	549,056
(34) Less estimated savings and recoverable items ..	10,098	27,653*	60,072	71,595	104
Net total estimated expenditures	4,335,796	3,932,351	2,926,812	2,400,049	548,952

NOTES*

(20) Includes a payment of $65 million to the Canadian Wheat Board.

(21) Includes $75 million in 1950-51 and 1951-52, being the first and second instalments of a special government contribution to the Civil Service Superannuation Account.

(24) Does not include payments of compensation to provinces which will undoubtedly be required when new Tax Rental Agreements are entered into in 1952. Only the final instalments payable under existing Agreements are included in this amount.

(26) This category includes the amount shown in the Estimates as the total payments of Old Age Security pensions from the Old Age Security Fund.

(33) Does not include in 1952-53 such items as the C.N.R. Deficits as the practice has been to provide for such items in the Further Supplementary Estimates at the end of the fiscal year.

(34) Includes a $19 million adjustment entry (anticipated revenues from specific taxes earmarked for the Old Age Security Fund—Vote 608, Further Supplementary Estimates (2), 1951-52), but no such adjusting item is included for 1952-53.

EXPLANATORY NOTES COVERING THE STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES

STANDARD OBJECTS (ITEMS 1 to 22)

1. *Civil Salaries and Wages*

Includes salaries and wages of all civilian full time, part time, seasonal and casual personnel normally considered as "Government Employees' (but does not include employees of Crown Companies and such Agencies) whether paid at hourly, daily, weekly, monthly or annual rates of pay and includes overtime or any other special pay. It also includes Judges' salaries, those of the Governor General and Lieutenant Governors and the indemnities to Members of both Houses of Parliament but does not include persons engaged for a specific project where pay and other costs would normally enter into the total cost of the project.

2. *Civilian Allowances*

Includes all types of Allowances paid to or in respect of personnel normally considered as "Government Employees", such as Living Allowances, Terminable Allowances, Officer-in-Charge Allowances, Living and Representation Allowances Abroad, Special Service Allowances, Mileage Allowances to Railway Mail Service Staffs, Allowances for Assistants, Northern Allowances, Isolation Allowances, Board and Subsistence Allowances, and other such allowances. Also includes Ministers' Motor Car Allowances, and the Expense Allowances to Senators and Members of the House of Commons.

3. *Pay and Allowances—Defence Forces and R.C.M. Police*

Includes Pay and all types of allowances (except travel allowances included in Item No. 5 below) payable to members of the Defence Forces and the Royal Canadian Mounted Police, including Subsistence Allowances and other perquisites common to such Services.

4. *Professional and Special Services*

Includes provision for services performed by individuals or organizations outside a particular departmental service, other than such services identified with specific works projects or with projects and programs for which provision is made under Items 9 and 10; payments in the nature of fees, commissions, etc. for professional and special services such as legal services, architects', engineers', analysts' and accountants' services, reporters', translators', and writers' services; medical and dental services, Doctors and Nurses for Veterans Treatment and examination of Pension Applicants, Hospital Treatment and Care and other outside technical, professional and other expert assistance; annuities and other agents paid on a fee or commission basis, payments to church organizations for Indian education and Corps of Commissionaires services. It includes armoured car service and other operational and maintenance services performed under contract other than those more properly classified under other Objects, such as the Marconi-operated Radio Stations of the Department of Transport which are included in Item No. 8.

5. *Travelling and Removal Expenses*

Includes Travelling and Transportation expenses of Government Employees, Members of the Defence Forces and the Royal Canadian Mounted Police, removal expenses of those persons and their dependents, and living and other expenses of such persons on travel status; Judges' travelling expenses and travelling expenses and allowances payable to Senators and Members of the House of Commons. It also includes transportation of persons by contract and chartered facilities or by other means, automobile mileage, aeroplane

fares, local transportation, etc., travelling expenses of persons engaged in field survey work, inspections and investigations. Does not include Travelling and Transportation of other than Government Employees such as travel costs for Deports, Applicants for Treatment or Pensions (Veterans), etc., which are classified under Item No. 22.

6. *Freight, Express and Cartage*

Includes the cost of transportation of goods other than initial delivery costs on a purchase which is included in the Object covering the cost of the purchase itself. These costs range from the movement of mails from city Post Offices to the various Government Departments, to the movement of heavy equipment between camps and other establishments of the Defence Services.

7. *Postage*

Includes ordinary postage, air mail, registered mail, special delivery mail, Post Office Box rentals and any other postal charges. Does not, of course, include provision for mail enjoying the "frank" privilege.

8. *Telephones, Telegrams and Other Communication Services*

Includes all costs of communication services by telephone, telegram, cable, teletype, radio and wireless communication, and includes tolls, rates, rentals and other communication costs such as Courier Services provided by outside agencies and communication services performed under contract or agreement such as the Marconi-operated Radio Stations of the Department of Transport.

9. *Publication of Departmental Reports and other Material*

Includes provision for the publication, through the Queen's Printer of Departmental Reports and other material, including informational and educational bulletins and pamphlets; publications on scientific and technical matters, natural resources, statistics and other such material; *Hansard* and other Parliamentary Papers; maps, charts, etc. The costs of printing, binding, engraving, lithographing, artwork, mats, writers' fes, and other costs attributable to specific publication projects and programs are included hereunder, with the exception of those belonging under Objects Nos. 1, 2 and 5. The costs of publications and material produced wholly within a Service are distributed throughout other Objects. The printing of forms and other stationery is included under Object No. 11.

10. *Films, Displays, Advertising and Other Informational Publicity with the Exception of Publications*

Includes provision for films, displays and other visual materials; advertising for publicity and general purposes, including advertising for tenders (except that charges directly arising from specific construction projects or purchases are included under such headings). It includes publication of proclamations, announcements, notices, etc., and various forms of educational and informational publicity by radio, poster, press and other means. The costs of artwork, writers' fees, casual employees hired for a specific project, and other costs attributable to the foregoing are included hereunder with the exception of those belonging under Objects Nos. 1, 2 and 5, and the costs of projects or programs produced wholly within a service where the costs are distributed throughout other objects. Total provision for the operation of the National Film Board and the International Service of the Canadian Broadcasting Corporation is included under this item.

11. *Office Stationery, Supplies, Equipment and Furnishings*

Includes stationery, envelopes, blotting paper and other office supplies such as pens, pencils, erasers, ink, etc.; printed forms, including tax return, statistical

and like forms; letterheads; ledgers and ledger sheets, carbon paper, stencils and other paper supplies; the purchase, repair and rental of office machines and appliances, including typewriters, adding machines, calculators, recording machines, tabulating machines, microfilming equipment and supplies, inter-office communication equipment, postal meter machines, machine records and all other office equipment; also includes, desks, chairs, filing cabinets and such office furnishings; books, newspapers and periodicals for office or library use.

12. *Materials and Supplies*

Includes provision for materials and supplies required for normal operation and maintenance of government services (other than office stationery, supplies and furnishings). It includes gasoline and oil purchased in bulk; fuel for ships, planes, transport, heating, etc.; feed for livestock; food and other supplies for ships and other establishments; livestock purchased for ultimate consumption or resale; seed for farming operations; food, clothing and other supplies for sick and indigent Indians; text books and school supplies purchased for Indian schools; books and other publications purchased for outside distribution; uniforms and kits; coining and refining supplies for the Mint; photographs, maps and charts purchased for administrative and operational purposes; laboratory and scientific supplies, including samples for testing; drafting, blueprinting and artists supplies; supplies for surveys, investigations, etc.; chemicals, hospital, surgical and medical supplies; mail bags for transportation of mails; char service supplies; coal, wood and electrical supplies; and all other materials and supplies other than those purchased for construction or repair projects which would normally be charged to such projects.

13. *Construction or Acquisition of Buildings and Works, including Acquisition of Land*

Includes provision for all expenditures on new construction of buildings, roads, irrigation works, canals, airports, wharfs, bridges and other such type of fixed asset, and reconstruction of such type of assets, improvements involving additions or changes of a structural nature, and also the installed cost of fixed equipment which is essentially a part of the work or structure such as elevators, heating and ventilating equipment, etc. It includes all such projects performed under contract or agreement or undertaken by a Department directly. The purchase of land is also included. The cost of casual employees hired for specific projects is included but not the cost of continuing employees assigned to work full or part time on such projects.

14. *Repairs and Upkeep of Buildings and Works*

Includes materials, supplies and other charges entering directly into the cost of repair and upkeep of the type of durable physical assets indicated under Item No. 13 above. It includes repair and upkeep projects performed under contract or agreement or undertaken by a department directly.

15. *Rentals of Land, Buildings and Works*

Includes provision for rentals of properties required for special purposes by the various departments and for the accommodation of government offices and services by the Department of Public Works. Also includes rentals of space for storage of motor cars and other equipment and supplies.

16. *Construction or Acquisition of Equipment*

Includes provision for all new machinery, equipment and furnishings (other than office equipment and office furnishings), and includes motor vehicles, aeroplanes, tractors, road equipment, laboratory and other scientific equipment, vessels, icebreakers and other aids to navigation and all other types of light and heavy equipment, and includes various types of such equipment for national

55708—36½

defence, such as ships, aircraft, mechanical equipment, fighting vehicles, weapons, engines, and such spare parts as are normally acquired with that equipment; workmen's tools, farm implements, furniture and furnishings required for other than normal office purposes. Also includes livestock, horses and dogs purchased for employment as such rather than for ultimate consumption or resale. (See Item No. 12 above.)

17. *Repairs and Upkeep of Equipment*

Includes all materials, repair and replacement parts and other costs entering directly into the cost of repair and upkeep of the type of equipment indicated in Item No. 16 above.

18. *Rentals of Equipment*

Includes provision for hire and charter—with or without crew—of vessels, aircraft, motor vehicles and other equipment (but excluding hire of such vehicles primarily for travel or cartage covered in other items, or hire of vehicles or other equipment for works projects where the rental would normally be included in the costs of the projects).

19. *Municipal or Public Utility Services*

Includes provision for all payments for services of a type normally provided by a municipality, school board, or public utility service such as the supply of water, electricity, gas, etc., and includes water rates, light, power and gas services; school fees; and payment for such services whether obtained from the municipality or elsewhere; taxes and water rates on diplomatic properties. Also includes payments to municipalities in lieu of taxes and local improvement charges.

20. *Contributions, Grants, Subsidies, etc., Not Included Elsewhere*

Includes contributions to international and other organizations; contributions toward the cost of joint undertakings and programs not directly the responsibility of the Federal Government; contributions or grants to governments outside of Canada, whether in money or in kind; grants to national organizations such as the Boy Scouts Association and agricultural, health, welfare and similar organizations; subsidies to primary and other industries; contributions under agreements with the Provinces for vocational training and other purposes, unless otherwise provided for in special categories; payments under the Maritime Freight Rates Act; grants to various exhibitions, etc.; research grants and other assistance toward research carried on by non-governmental organizations; scholarships and similar payments. Does not include Grants to Municipalities in lieu of taxes (Item No. 19); Subsidies and Special Payments to the Provinces (Item No. 24); Government's contribution to the Unemployment Insurance Fund (Item No. 29); General Health Grants paid to Provinces (Item No. 30); contributions to the Provinces for the Trans-Canada Highway (Item No. 31); nor the Deficits on Government Owned Enterprises (Item No. 33).

21. *Pensions, Superannuation and Other Benefits in Consideration of Personal Services*

Includes pensions, superannuation and other benefits to former civilian Government employees and ex-members of the Royal Canadian Mounted Police or their dependents. It also includes payment of compensation under the Government Employees Compensation Act, the Government's contribution to the Superannuation Fund, Sick Mariners Dues, Judges Pensions, Gratuities in lieu of Retiring Leave, Gratuities to Families of Deceased Employees, payments under the Defence Services Pension Act and the Government's contribution as an employer to the Unemployment Insurance Fund. It does not, however,

include the Government's contribution to the Unemployment Insurance Fund which represents one-fifth of the net amount contributed by employers and employees combined (Item No. 29), Disability Pensions in respect of World Wars 1 and 2 (Item No. 27), nor Other Payments to Veterans and Dependents (Item No. 28).

22. *All Other Expenditures (Other than Special Categories)*

Includes minor residual items shown as "Sundries" in practically all votes. These include such costs as towel service, laundering and dry cleaning, loss of personal effects, bonding of Government employees, and other small miscellaneous articles and services. It includes licences, permits, dockage, towage, wharfage and mooring privileges; works of art for exhibits, and historical material for galleries, museums and archives. It includes travel costs incurred for other than Government employees, e.g., immigrants, veteran patients and migrant labour. Also included is provision for many items and services detailed throughout the Estimates which do not lend themselves to distribution under the specific headings detailed in this Summary.

SPECIAL CATEGORIES (ITEMS 23 TO 33)

23. *Interest on Public Debt and Other Debt Charges*

Includes interest on the Funded Debt of Canada (including Treasury Bills) and on other liabilities such as Trust and Other Special Funds. It also includes costs of issuing new loans, Annual Amortization of Bond Discount, Premiums and Commissions, and other costs of servicing the Public Debt.

24. *Subsidies and Special Payments to the Provinces*

Includes Provincial Subsidies payable under the British North America Act and subsequent arrangements; Special Compensation to the Provinces in lieu of certain taxes as provided in the Tax-Rental Agreements. It also includes certain payments to Newfoundland under the Terms of Union. In general, it does not include payments made to Provinces for expenditure for specific purposes, some of which are included in Items Nos. 20, 26, 30 and 31.

25. *Family Allowance Payments*

Payments of monthly allowances authorized by the Family Allowances Act—Chap. 40, Statutes of 1944-45 (as amended).

26. *Old Age Pensions, including Allowances to the Blind*

Includes pensions authorized by the Old Age Security Act, payment of the Federal Government's 50% share of old age assistance authorized by the Old Age Assistance Act, and payment of the Federal Government's 75% share of allowances paid to blind persons under the Blind Persons Act.

27. *Veteran's Disability Pensions and Other Payments under the Pension Act*

Includes pensions and other payments authorized under the Pension Act, the Civilian War Pensions and Allowances Act and the Civlian Government Employees (War) Compensation Order. This covers both Wars 1 and 2 and includes a small amount in respect of the Northwest Rebellion of 1885.

28. *Other Payments to Veterans and Dependents*

Includes provision for War Veterans Allowances, including the Assistance Fund, Veterans Hospital and Other Allowances, Unemployment Assistance for Veterans, Post Discharge Rehabilitation Benefits, War Service Gratuities, Re-establishment Credits, and other Sundry Items.

29. *Government's Contribution to the Unemployment Insurance Fund*

Provides for the Government's contribution to the Unemployment Insurance Fund and represents one-fifth of the net amount contributed by employers and employees combined.

30. *General Health Grants*

Provides for General Health Grants to the Provinces under terms and conditions approved by the Governor in Council to assist in Health Surveys, Hospital Construction, strengthening general public health services, eradication of tuberculosis, prevention of mental illness, control of venereal diseases, prevention and correction of crippling conditions in children, training of public health and hospital personnel, public health research and programs for cancer control.

31. *Trans-Canada Highway Contributions*

Covers payments to those Provinces which have entered into agreements with the Federal Government under the Trans-Canada Highway Act, Chap. 40, Statutes of 1949, in respect of the construction of the Trans-Canada Highway.

32. *Movement of Mail by Land, Air and Water (Post Office)*

Includes provision under the Post Office Department for Mail Service by Railway, by Steamboat, by Air and by Ordinary Land Conveyance, including Rural Mail Delivery.

33. *Deficits—Government Owned Enterprises*

Includes provision for the Deficits incurred in the operation of the Hudson Bay Railway, the Northwest Communications System, the Prince Edward Island Car Ferry and Terminals, the Canadian National (West Indies) Steamships, Limited, and Churchill Harbour.

34. *Less—Estimated Savings and Recoverable Items*

In certain special instances it is necessary for commitment and control purposes to detail total requirements of services but, in order that the actual amount of cash requirements only may be voted, deductions are made of estimated savings or recoverable amounts. Since the Standard Objects are made up of the gross requirements, the total of those Objects must be reduced by these deductions in order to arrive at the total amount provided in the Estimates.

Exhibit No. 2

COMBINED REVENUES AND EXPENDITURES—ALL GOVERNMENTS IN CANADA

Fiscal Years Ended Nearest December 31st, 1939, 1949 and 1950

STATEMENTS ATTACHED

Source: 1939—"Comparative Statistics of Public Finance", prepared for the Dominion-Provincial Conference on Reconstruction, 1945.

1949 and 1950—Based on compilations of the Dominion Bureau of Statistics and Bank of Canada, for comparative purposes.

Explanatory Note: The totals appearing on line 23 of the revenue table and line 18 of the expenditure table do not include intergovernment transfers. For instance, subsidies authorized by the B.N.A. Act and other Acts and compensation to provinces as provided in the Dominion-Provincial Tax Rental Agreements Act are excluded from expenditures of the Federal government and correspondingly omitted from the revenues of the provinces. However, grants-in-aid, etc., for specific services, such as for old age pensions, are included as expenditures of the government making the grant and deducted from the gross expenses of the other level of government which received the grant.

These procedures are followed to avoid duplication in order to produce additive totals of both revenues and expenditures for all levels of government.

COMBINED REVENUES — ALL GOVERNMENTS

SUMMARY

Fiscal Years Ended
(Thousands

Item No.	—	TOTAL		
		1939	1949	1950(*b*)
	Taxes:			
	Income and Corporation Taxes—			
1.	Personal Income Taxes	60,678	622,104	652,420
2.	Corporate Income Taxes	89,452	707,514	961,606
3.	Other Corporation Taxes	23,153	24,866	27,312
4.	Withholding Tax	11,122	47,475	61,610
5.	Sub-Total (Items 1 to 4)	184,405	1,401,959	1,702,948
6.	Succession Duties	27,850	59,084	65,482
7.	Real and Personal Property	248,922	373,759	408,087
8.	Customs Duties and Other Import Taxes	106,819	226,403	296,433
	Excise Duties and Sales Taxes:			
9.	Gasoline Taxes	53,069	137,759	155,293
10.	Liquor Taxes Including Liquor Control	54,423	241,513	266,499
11.	Tobacco Taxes	42,447	215,912	216,998
12.	General Sales Taxes	144,861	481,343	561,646
13.	Amusement Taxes	2,615	20,359	18,814
14.	Other Commodities	24,175	75,174	131,489
15.	Other Taxes	25,547	72,823	80,451
16.	Total Taxes (Items 5 to 15)	915,133	3,306,088	3,904,140
	Licences, Permits and Fees—			
17.	Motor Vehicle	28,092	58,198	66,960
18.	Other	18,498	33,472	37,944
19.	Sub-Total (Items 17 and 18)	46,590	91,670	104,904
20.	Public Domain	24,754	94,128	115,861
21.	Public Utility Contributions to Municipalities	10,181	23,718	24,062
22.	Other Revenue	36,556	138,201	143,712
23.	Total Revenue	1,033,214	3,653,895	4,292,679
	Inter-Government Transfers not Included in Above Summary			
24.	Federal Subsidies to Provinces	19,184	19,109	18,674
25.	Provincial Subsidies to Municipalities	4,507	9,569	13,259
26.	Transitional Grant to Newfoundland	.....	6,500	6,500
27.	Dominion-Provincial Tax Agreements	.....	79,780	92,640
28.	Share of Income Tax on Electric Power Utilities	.....	1,515	4,457
29.	Interest on Common School Fund and School Lands Fund Debentures	1,585	1,466	800
30.	Grants in Lieu of Taxes on Federal Property	.....	.....	1,267
31.	Nova Scotia Highway Tax	452	251	245
32.	Manitoba Municipal Commissioner's Levy	828	527	517
33.	TOTAL (*m*)	26,556	118,717	138,359

(*a*) Includes statistics of Newfoundland for the years 1949 and 1950.
(*b*) Preliminary.
(*c*) Revised.
(*d*) Includes an estimate of the statistics for Quebec.
(*e*) The 5% tax on corporations income collected by the Federal government is excluded from Federal and included in Provincial.
(*f*) Includes $25,000 thousands excess portion of reserve for refundable excess profits tax transferred to revenue.
(*g*) In 1939 and 1949 consists of chartered banks note circulation tax and tax on net premiums of insurance companies; in 1950 consists of tax on net premiums of insurance companies.

IN CANADA FOR 1939, 1949 and 1950

BY SOURCE

Nearest December 31
of Dollars)

FEDERAL			PROVINCIAL(a)			MUNICIPAL(a)			ITEM
1939	1949(c)	1950	1939	1949	1950(b)	1939	1949(d)	1950(b)	No.
45,407	621,982	652,328	12,113	122	92	3,158	.....	.....	1.
77,920	601,405(e)	834,338(e)(f)	11,082	106,109(e)	127,268(e)	450	.....	.....	2.
1,875(g)	3,910(g)	4,228(g)	21,278	20,956	23,084	.....	.....	.....	3.
11,122(h)	47,475(h)	61,610(h)	.....	.....	.....	.....	.....	.....	4.
136,324	1,274,772	1,552,504	44,473	127,187	150,444	3,608	.....	.....	5.
.....	29,920	33,599	27,850	29,164	31,883	.....	.....	.....	6.
.....	.....	.....	5,504	4,450	5,219	243,418(i)	369,309(i)	402,868(i)	7.
106,819	226,403	296,433	.....	.....	.....	.....	.....	.....	8.
.....	.....	.....	53,069	137,759	155,293	.....	.....	.....	9.
21,014	107,077	129,209	33,409	134,436	137,290	.....	.....	.....	10.
42,447	206,334	206,995	.....	9,578	10,003	.....	.....	.....	11.
137,446	403,437	460,121	2,717	61,899	75,843	4,698	16,007	25,682	12.
.....	.....	.....	2,615	20,359	18,814	.....	.....	.....	13.
24,175(j)	75,174	131,489	.....	.....	.....	.....	.....	.....	14.
.....	.....	.....	2,624	25,013(k)	27,884(k)	22,923	47,810	52,567	15.
468,225	2,323,117	2,810,350	172,261	549,845	612,673	274,647	433,126	481,117	16.
.....	.....	.....	28,092	58,198	66,690	.....	.....	.....	17.
2,542	3,430	5,250	8,975	17,130	18,616	6,981	12,912	14,078	18.
2,542	3,430	5,250	37,067	75,328	85,576	6,981	12,912	14,078	19.
736	1,790	2,360	24,018	92,428	113,501	.....	.....	.....	20.
.....	.....	.....	.....	.....	.....	10,181	23,718	24,062	21.
8,524	82,881(l)	87,618(l)	2,877	13,241	12,943	25,155	42,079	43,151	22.
480,027	2,411,218	2,905,578	236,223	730,842	824,693	316,964	511,834	562,408	23.
.....	.....	.....	19,184	19,109	18,674	.....	.....	.....	24.
.....	.....	.....	.....	.....	.....	4,507	9,569	13,259	25.
.....	.....	.....	.....	6,500	6,500	.....	.....	.....	26.
.....	.....	.....	.....	79,780	92,640	.....	.....	.....	27.
.....	.....	.....	.....	1,515	4,457	.....	.....	.....	28.
.....	.....	.....	1,585	1,466	800	.....	.....	.....	29.
.....	.....	.....	.....	.....	.....	.....	.....	1,267	30.
.....	.....	.....	452	251	245	.....	.....	.....	31.
.....	.....	.....	828	527	517	.....	.....	.....	32.
.....	.....	.....	22,049	109,148	123,833	4,507	9,569	14,526	33.

(h) Chiefly on non-residents.
(i) Excludes personal property which is inseparable from Other Taxes and included in Item 15.
(j) The 3% tax on imports is excluded from here and included in Item 8.
(k) Includes hospitalization tax.
(l) Includes $31,596 thousands (1949) excess of refunds over expenditures re: Expansion of Industry and $41,918 thousands (1950) excess of refunds over expenditure re: Expansion of Industry and Price Control and Rationing.
(m) Discrepancies between the amounts shown on this table and the expenditure table as Inter-government Transfers are due to variations in the fiscal year ends and accounting practices of governments.

COMBINED EXPENDITURES — ALL GOVERNMENTS
CURRENT AND CAPITAL ACCOUNTS

Fiscal Years Ended
(Thousands

Item No.		TOTAL		
		1939	1949	1950(b)
1.	Debt Charges, Net, Excluding Debt Retirement	264,300	490,159	446,824
	Public Welfare			
2.	Health and Hospital Care	47,145	194,579	216,919
3.	Labour and Unemployment Insurance	3,272	52,182	60,209
4.	Relief	82,629	18,754	17,812
5.	Old Age Pensions	39,587	127,906	140,592
6.	Family Allowances	.....	299,347	311,277
7.	Other	35,613	117,812	129,055
8.	Sub-Total (Items 2 to 7)	208,246	810,580	875,864
9.	Education	128,682	406,590	460,337
10.	Transportation, Highways, Bridges, Airways, Railways, Waterways, etc.	163,159	514,022	489,556
11.	Agriculture	60,498	107,700	171,642
12.	Public Domain	37,648	103,602	99,134
13.	National Defence	126,915	372,596	759,779
14.	Veterans' Pensions and Aftercare	55,267	202,466	191,777
15.	Expansion of Industry	247	.....	.....
16.	Price Control and Rationing	55	2,748	.....
17.	Other Expenditure	184,644	493,159	620,790
18.	Total Expenditure	1,230,661	3,503,622	4,115,703
	INTER-GOVERNMENT TRANSFERS NOT INCLUDED IN ABOVE SUMMARY			
19.	Federal Subsidies to Provinces	19,244	19,170	18,735
20.	Provincial Subsidies to Municipalities	4,511	12,674	14,017
21.	Transitional Grant to Newfoundland	.....	6,500	6,500
22.	Dominion-Provincial Tax Agreements	.....	76,881	94,123
23.	Share of Income Tax on Electric Power Utilities	.....	1,375	4,565
24.	Interest on Common School Fund and School Lands Fund Debentures	1,585	1,466	800
25.	Grants in Lieu of Taxes on Federal Property	.....	200	1,378
26.	Nova Scotia Highway Tax	455	246	246
27.	Manitoba Municipal Commissioner's Levy	763	473	482
28.	TOTAL(g)	26,558	118,985	140,846

(a) Includes statistics of Newfoundland for the years 1949 and 1950.
(b) Preliminary.
(c) Revised.
(d) Includes an estimate of the statistics for Quebec.

8502—502
23—5—52

IN CANADA FOR 1939, 1949 and 1950

— SUMMARY BY SERVICES

Nearest December 31
of Dollars)

FEDERAL			PROVINCIAL(a)			MUNICIPAL(a)			Item No.
1939	1949(c)	1950	1939	1949	1950(b)	1939	1949(b)	1950(b)	
151,653	406,766	358,563	60,719	52,593	54,406	51,928	30,800	33,855	1.
1,153	19,451	22,536	30,432	138,549	154,056	15,560	36,579	40,327	2.
1,282	48,310	56,304	1,990	3,872	3,905	.....	.....	.....	3.
23,620	.....	.....	42,811	13,267	11,618	16,198	5,487	6,194	4.
29,121	89,725	99,346	10,279	38,181	41,246	187	.....	.....	5.
.....	299,347	311,277	.....	.....	.....	.....	.....	.....	6.
4,433	20,482	22,188	12,371	31,754	39,095	18,809	65,576	67,772	7.
59,609	477,315	511,651	97,883	225,623	249,920	50,754	107,642	114,293	
3,543	28,691	22,196	38,004	157,346	177,702	87,135	220,553	260,439	9.
46,041(e)	157,612(e)	127,219(e)	89,103	254,597	251,322	28,015	101,813	111,015	10.
53,151	82,339	148,091	7,347	25,361	23,551	.....	.....	.....	11.
14,577	53,574	45,776	23,071	50,028	53,358	.....	.....	.....	12.
126,915	372,596	759,779	.....	.....	.....	.....	.....	.....	13.
55,267	202,466	191,777	.....	.....	.....	.....	.....	.....	14.
247	(f)	(f)	.....	.....	.....	.....	.....	.....	15.
55	2,748	(f)	.....	.....	.....	.....	.....	.....	16.
60,140	226,480	329,679	38,756	108,381	113,750	86,748	158,298	177,361	17.
571,198	2,010,587	2,494,731	354,883	873,929	924,009	304,580	619,106	696,963	18.
19,244	19,170	18,735	.....	.....	.....	.....	.....	.....	19.
.....	.....	.....	4,511	12,674	14,017	.....	.....	.....	20.
.....	6,500	6,500	.....	.....	.....	.....	.....	.....	21.
.....	76,881	94,123	.....	.....	.....	.....	.....	.....	22.
.....	1,375	4,565	.....	.....	.....	.....	.....	.....	23.
1,585	1,466	800	.....	.....	.....	.....	.....	.....	24.
.....	200	1,378	.....	.....	.....	.....	.....	.....	25.
.....	.....	.....	.....	.....	.....	455	246	246	26.
.....	.....	.....	.....	.....	.....	763	473	482	27.
20,829	105,592	126,101	4,511	12,674	14,017	1,218	719	728	28.

(e) Includes deficits (net after deducting profits) of miscellaneous government-owned transportation enterprises such as Prince Edward Island Car Ferry, Hudson Bay Railway, Canadian National Railways, Trans-Canada Airlines, Quebec and Churchill Harbours and Canadian National (West Indies) Steamships Limited.

(f) Refunds of expenditures exceed expenditures. See footnote (o)—Revenue.

(g) Discrepancies between the amounts shown on this table and on the revenue table as Inter-government Transfers are due to variations in the fiscal year ends and accounting practices of governments.

Exhibit No. 3

NATIONAL INCOME AND GROSS NATIONAL PRODUCT, 1939-1951

(millions of dollars)

—	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949[1]	1950[1]	1951[1]
Wages, Salaries and Supplementary Labour Income	2,575	2,929	3,575	4,242	4,783	4,940	4,953	5,323	6,221	7,170	7,761	8,271	9,640
Military Pay and Allowances	32	193	386	641	910	1,068	1,117	340	83	82	115	137	201
Investment Income	917	1,128	1,484	1,761	1,801	1,829	1,859	1,975	2,269	2,464	2,445	3,088	3,655
Net Income of Unincorporated Business:													
Accrued Net Income of Farm Operators from Farm	385	492	490	988	805	1,185	1,010	1,112	1,223	1,518	1,504	1,547	2,138
Net Income of Non-farm Unincorporated Business	464	521	628	705	744	804	901	1,071	1,189	1,326	1,369	1,512	1,595
NET NATIONAL INCOME AT FACTOR COST	4,373	5,263	6,563	8,337	9,043	9,826	9,840	9,821	10,985	12,560	13,194	14,555	17,229
Indirect Taxes Less Subsidies	733	830	1,054	1,085	1,117	1,111	1,003	1,269	1,604	1,772	1,830	2,005	2,386
Depreciation Allowances and Similar Business Costs	610	720	858	1,002	988	957	928	903	1,118	1,276	1,437	1,607	1,763
Residual Error of Estimate	−9	59	42	115	35	60	79	33	61	5	1	−45	−137
GROSS NATIONAL PRODUCT AT MARKET PRICES	5,707	6,872	8,517	10,529	11,183	11,954	11,850	12,026	13,768	15,613	16,462	18,122	21,241

[1] Includes Newfoundland.

Exhibit No. 4

REPORTED NUMBERS OF EMPLOYEES OF THE GOVERNMENT OF CANADA

(EXCLUDING MEMBERS OF THE ARMED SERVICES AND R.C.M.P.) AS AT MARCH 31, 1939, 1948, 1949, 1950, 1951 AND 1952

—	Numbers Reported by Dominion Bureau of Statistics[1]						Numbers Reported by Department of Finance for the Purpose of this Report		
	1939	1948	1949	1950	1951	1952	1950	1951	1952
Agriculture	3,122	5,381	5,914	6,667	7,078	7,007	6,495	6,863	6,928
Auditor General	231	173	173	169	163	158	169	163	159
Chief Electoral Officer	15	10	19	13	14	20	14	14	20
Citizenship and Immigration	Staff reported under preceding Depts.			2,657	2,917	3,050	2,799	3,411	3,631
Civil Service Commission	235	532	572	580	536	543	583	534	538
Defence Production						1,362			1,736
External Affairs	193	1,054	1,234	1,301	1,341	1,316	1,302	1,368	1,348
Finance	213	677	698	645	602	611	636	607	621
Comptroller of the Treasury	1,073	4,653	4,524	4,300	4,034	4,086	4,344	4,031	4,172
Royal Canadian Mint	126	288	402	222	222	224	222	222	224
Tariff Board	20	11	11	17	17	18	17	17	18
Wartime Prices and Trade Board		1,145	1,029	690	260		687	260	
Fisheries	325	533	569	925	962	1,015	1,178	1,450	1,407[2]
Governor General's Secretary	14	12	10	10	10	11	10	10	11[3]
House of Commons	516	541	636	656	662	478	656	661	663[4]
Insurance	53	59	63	72	82	82	72	81	85
International Joint Commission	6	4	4	10	11	12	10	11	12
Justice	106	152	179	192	204	206	1,557	204	206
Commissioner of Penitentiaries	985	1,174	1,255	1,364	1,509	1,503		1,509	1,509
Labour	244	620	620	645	635	601	726	674	694
Unemployment Insurance Commission		7,140	6,957	7,148	7,051	6,886	8,347	7,724	8,147
Library of Parliament	27	31	34	31	36	37	31	36	36
Mines and Technical Surveys	Staff reported under preceding Depts.			1,661	1,720	1,749	1,778	1,816	1,950
National Defence: Administration					2,398	3,563[5]		2,676[5]	4,143[5]
Army Services	1,142	8,741	10,045	9,118	7,119	9,662	13,217	13,757	17,359
Naval Services	178	2,984	3,451	4,022	4,119	4,684	6,731	7,527	9,158
Air Services	104	3,314	3,408	3,707	4,121	5,727	4,628	5,795	9,239
National Film Board		598	547	596	561	580	603	572	567
National Health and Welfare—									
Departmental Administration		223	236	268	257	276	264	251	270
Health		725	794	847	880	898	841	864	914
Welfare		752	743	755	733	892	779	765	899
Indian Health Services		646	812	931	1,084	1,084	1,031	1,196	1,138
National Research Council	226	1,543	1,524	1,694	1,891	2,006	2,991	3,172	3,467[6]
Atomic Energy Control Board		7	7	7	7	6	7	7	6
National Revenue—									
Customs and Excise	4,415	5,552	5,776	6,086	6,211	6,254	6,086	6,194	6,275
Income Tax	1,291	10,478	11,704	10,629	7,011	5,886	10,629	7,011	6,265
Post Office	12,518	17,105	18,049	18,899	18,938	19,380	33,029	32,962	33,607[7]
Prime Minister's Office				34	37	44	34	35	44[8]
Privy Council	19	68	72	53	48	46	63	48	46
Public Archives	67	54	55	61	65	68	61	66	69
Public Printing and Stationery	652	786	856	991	1,041	1,127	991	1,041	1,132
Public Works	4,124	6,574	6,547	6,954	7,103	7,092	6,728	6,809	6,944[9]

REPORTED NUMBERS OF EMPLOYEES OF THE GOVERNMENT OF CANADA

(EXCLUDING MEMBERS OF THE ARMED SERVICES AND R.C.M.P.) AS AT MARCH 31, 1939, 1948, 1949, 1950, 1951 AND 1952—Continued

—	Numbers Reported by Dominion Bureau of Statistics[1]						Numbers Reported by Department of Finance for the Purpose of this Report		
	1939	1948	1949	1950	1951	1952	1950	1951	1952
Resources and Development	Staff reported under preceding Depts.			1,570	1,689	1,661	2,277	2,397	2,313
Royal Canadian Mounted Police	86	463	490	568	622	810	668	910	784
Secretary of State	346	528	557	608	588	573	608	575	572[10]
Senate	145	148	152	156	159	100	156	159	156[4]
Trade and Commerce (including D.B.S.)	1,024	2,562	2,470	2,801	2,775	2,518	2,798	2,772	2,515
Board of Grain Commissioners	642	781	791	813	779	861	806	774	874
Canadian Government Elevators	128	157	140	137	169	282	137	169	290
Transport	5,613	7,828	8,535	9,479	10,028	9,091	11,979	11,698	11,880[11]
Air Transport Board	.....	36	42	48	54	50	48	53	41
Board of Transport Commissioners	97	136	144	155	158	154	155	158	154
Veterans Affairs	.....	15,173	14,011	13,748	12,931	12,641	14,898	14,127	14,032[12]
Soldiers Settlement and Veterans Land Act	.....	1,678	1,468	1,334	1,224	1,156	1,334	1,224	1,158
Mines and Resources—									
Departmental Administration	70	108	127						
Immigration	595	1,079	1,281						
Indian Affairs	1,038	771	877	See new post-war Departments for 1950 and 1951 figures					
Lands and Development	558	683	789						
Mines, Forests and Scientific Services	437	1,562	2,107						
Special Projects	449	8	6						
Pensions and National Health	2,638	.....	.....						
Reconstruction and Supply	.....	329	408						
Totals	46,106	118,370	123,924	127,044	124,866	137,037	156,210	157,430	170,426
Crown Corporations, and Corporate Agencies, other than CNR and its subsidiaries[13]	.....	.....	.....	.....	.....	.....	13,189	15,194	14,711

(1) The Dominion Bureau of Statistics publishes annually summary statistics of the Civil Service of Canada, and the figures for 1939, 1948, 1949 and 1950 were obtained from these publications. The figures for 1951 and 1952 had not yet been published and were obtained directly from the Dominion Bureau of Statistics for the purposes of this report.

(2) Includes Fisheries Research Board (276 employees for 1950, 328 employees for 1951, 335 Employees for 1952) and the International Pacific Salmon and International Fisheries (Halibut) Commissions.

(3) Does not include 2 Aides-de-Camps to the Governor General.

(4) Includes sessional employees.

(5) Includes employees of the Defence Research Board of Canada.

(6) Includes employees of the Atomic Energy Project, Chalk River, Ont., and also includes 79 Post Doctorate Fellows. With effect from April 1, 1952, the status of the Atomic Energy Project was revised to that of a Crown Corp.

(7) Includes 14,065 (1950), 14,024 (1951), 14,267 (1952) employees of revenue post offices who are paid through the Financial Branch of the Post Office Department.

(8) Prior to 1950 the staff of the Prime Minister's Office was carried on other establishments. The above figure includes the staff of the Prime Minister's residence.

(9) Does not include 240 (1950), 276 (1951), 197 (1952) revenue postmasters who are also employed by the Department of Public Works.

(10) Includes the staff of the Custodian of Enemy Property.

(11) Includes the staff of the Canadian Maritime Commission.

(12) Includes staff of the Canadian Pension Commission, War Veterans Allowance Board and 112 Medical Research staff on special projects in departmental hospitals.

(13) The following crown corporations and corporate agencies are included:
Bank of Canada; Canadian Arsenals Ltd.; Canadian Broadcasting Corporation; Canadian Commercial Corporation; Canadian Farm Loan Board; Canadian Wheat Board; Central Mortgage and Housing Corporation; Commodity Prices Stabilization Corporation; Dominion Coal Board; Eldorado Mining and Refining (1944) Ltd.; Export Credit Insurance Corporation; Federal District Commission; Industrial Development Bank; National Harbours Board; Northwest Territories Power Commission; Northern Transportation Company Ltd.; Polymer Corporation Ltd.; Crown Assets Disposal Corporation; Defence Construction Ltd.

Exhibit No. 5

DOMINION COST-OF-LIVING INDEX
(1935-39=100)

YEAR		INDEX
1945		119·5
1946		123·6
1947		135·5
1948		155·0
1949		160·8
1950		166·5
1951		184·5
1950	January 3	161·0
	February 1	161·6
	March 1	163·7
	April 1	164·0
	May 1	164·0
	June 1	165·4
	July 3	167·5
	August 1	168·5
	September 1	169·8
	October 2	170·7
	November 1	170·7
	December 1	171·1
1951	January 2	172·5
	February 1	175·2
	March 1	179·7
	April 2	181·8
	May 1	182·0
	June 1	184·1
	July 3	187·6
	August 1	188·9
	September 1	189·8
	October 1	190·4
	November 1	191·2
	December 1	191·1
1952	January 2	191·5
	February 1	190·8
	March 1	189·1

TAX RENTAL AGREEMENTS BILL

APPENDIX No. 2

TABLE I

PERCENTAGE OF FEDERAL SUBSIDIES TO PROVINCIAL REVENUES IN FIRST 15 YEARS FOLLOWING CONFEDERATION

	Four Original Provinces				Other Provinces			Total for all Provinces Shown
	Nova Scotia	New Brunswick	Quebec	Ontario	Prince Edward Island	Manitoba	British Columbia	
	%	%	%	%	%	%	%	%
1868	68·5	76·0	59·7	30·0	.....	.....	.....	48·8
1869	76·2	72·5	58·9	32·3	.....	.....	.....	48·7
1870	63·7	74·5	51·7	38·8	.....	.....	.....	48·9
1871	75·1	70·6	49·0	44·4	.....	91·3	55·8	52·5
1872	74·4	68·3	45·8	33·9	.....	94·0	65·4	47·1
1873	71·5	78·6	42·3	34·5	.....	92·0	60·0	46·4
1874	77·6	91·8	47·0	34·7	66·7	91·2	61·8	50·0
1875	83·3	88·0	47·0	37·9	69·2	88·9	64·1	50·4
1876	80·8	85·5	40·0	46·2	66·0	89·9	56·1	52·5
1877	76·0	79·9	39·4	47·8	49·9	90·4	51·0	51·0
1878	77·9	77·4	47·3	52·4	50·9	91·0	48·3	55·9
1879	73·8	83·2	47·3	52·3	54·7	.....	48·8	55·0
1880	66·2	73·1	49·0	36·1	56·9	86·7	53·2	47·8
1881	68·4	72·9	41·3	42·9	57·7	81·4	52·4	48·4
1882	72·3	73·3	32·1	41·6	70·6	87·8	51·1	45·4
Average for years shown	74·1	77·9	45·1	39·9	60·2	88·9	55·5	49·8

TABLE II

Percentage of Federal Subsidies and Tax Rental Payments to Total Provincial Revenues

Agreeing Provinces	1950-51 %
Newfoundland	27·8
Prince Edward Island	39·9
Nova Scotia (a)	38·0
New Brunswick (b)	37·6
Manitoba	32·7
Saskatchewan	33·9
Alberta	16·4

(a) 16 months ending March 31, 1951
(b) 12 months ending Oct. 31, 1950

Revenues

Agreeing Provinces	1950-51 %
British Columbia	23·2
Average	31·2
If other provinces had signed	
Quebec	32·7
Ontario	36·2

TABLE III

PERCENTAGE OF FEDERAL SUBSIDIES AND TAX RENTAL PAYMENTS TO TOTAL ORDINARY PROVINCIAL REVENUES UNDER NEW TAX RENTAL AGREEMENTS AS ESTIMATED FOR THE FISCAL YEAR 1952-53

—	(1) Federal Subsidies	(2) Estimated Tax Rental Payments	(3) Total	(4) Budget Forecast of Ordinary Provincial Revenues	(5) Percentage of Federal Subsidies and Tax Rentals to Total Provincial Revenues
	(To nearest thousand dollars)				%
Agreeing Provinces—					
Newfoundland	$ 7,219	$ 12,292	$ 19,511	$ 34,848	55·9
Prince Edward Island	657	3,916	4,573	7,307	62·6
Nova Scotia	2,057	20,150	22,207	45,420	48·9
New Brunswick	1,679	16,625	18,304	46,492	39·4
Manitoba	1,755	24,760	26,515	49,589	53·5
Saskatchewan	2,041	25,571	27,612	65,923	41·9
Alberta	2,127	29,369	31,496	112,619	24·9
British Columbia	1,281	41,376	42,657	141,987	30·0
TOTAL	$18,816	$174,058	$192,875	$504,185	38·3
Non-Agreeing Provinces—					
Quebec	3,301	115,004	118,305	262,700	45·0
Ontario	3,641	137,173	140,814	291,100	48·4
TOTAL	$6,942	$252,177	$259,119	$553,800	46·8
TOTAL—all ten provinces	$25,758	$426,235	$451,994	$1,057,985	42·7

THE SENATE

Friday, June 27, 1952

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

Prayers and routine proceedings.

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES BILL

FIRST READING

A message was received from the House of Commons with Bill 392, an Act to provide retiring allowances on a contributory basis, to persons who have served as members of the House of Commons of Canada.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: With leave of the Senate, I move the second reading now.

This bill, honourable senators, is not government legislation in the ordinary sense of the term. It is true that it was introduced in the House of Commons, by the Prime Minister, under constitutional provisions, largely to implement what was the desire of an overwhelming majority of the members of that house. I desire to make some observations on the general outline of the plan, and to give the background of certain matters relating to the other house which are of primary interest to the members of this house. This measure, of course, mainly concerns the other place, but as this house is called upon to consider it, I shall do my best to explain the plan for which it makes provision.

1. Members:

(a) For current service each member would contribute 6 per cent of each sessional indemnity received, and he would continue to make payments until his total contributions were equal to one sessional indemnity, namely, $4,000. This would take slightly less than seventeen sessions to accomplish. If a member's contributions reach $4,000, and the sessional indemnity is later increased, he can resume his contributions until the new level is reached.

(b) A member may contribute for the whole or part of his prior service at the rate of 6 per cent of the indemnity actually received during that service, together with interest at 4 per cent compounded annually from the close of each session. When a member elects to contribute for prior service, his arrears, including the compound interest, will be calculated as a lump sum, and he can pay it off immediately or over a period of time, but he will be required to pay 4 per cent interest on the balance each year. This interest payment will be deducted from his sessional indemnity. Any balance which a member owes at the time his pension is due to begin will be defrayed by withholding all pension payments until the sum withheld equals the balance owing.

2. Government:

The government will match the member's contributions for both current and prior service, and will pay 4 per cent interest each year on the balance which is in the Members of Parliament Retiring Allowances Account.

3. Benefits:

(i) When eligible, a member will receive an annual allowance equal to 75 per cent of the total contributions he has made, not including any interest. On the present basis this would provide a maximum annuity of $3,000—75 per cent of $4,000. At the age of 70 any pension received as a member of parliament would be reduced by any pension payable under the Old Age Security Act.

(ii) If ineligible to receive an annual allowance, a member may receive on his retirement from the house a refund of his contributions, exclusive of any interest which he has paid.

(iii) If a member is expelled from the house, he will receive a refund of his contribution, exclusive of any interest which he had paid.

(iv) On the death of a member, or former member, his total contributions less any pension payments already made will be refunded to his estate.

4. Eligibility for Pension:

To be eligible for a yearly allowance a member will have to have contributed or have elected to contribute for service in more than two parliaments; however, no pension is payable during any period in which a former member of the House of Commons is serving as a senator, a judge, or a commissioner, or in any position in a government or Crown company. The pension would resume when such service to the Crown came to an end, except in cases where a judge's pension was being paid.

The effective date of this bill is to be the beginning of the next session.

Though the subject is not one of primary concern to us, for the purpose of securing information I asked three questions about the

position of a senator who, before his appointment as such, was a member of the House of Commons.

First: What is the position of a member of the House of Commons who is appointed to the Senate before he is eligible to receive an allowance under section II, subsection (I) of the bill; that is, after he has started to contribute but before he is eligible? The answer is, that should he be appointed to the Senate, under these circumstances he shall receive a return of his contributions without interest.

Second: What is the position of a former member of the House of Commons who ceases to be a member of that house, is eligible to receive an allowance under section 11, subsection (1), and receives it for some time prior to his appointment to the Senate? The answer is that his allowance is discontinued while he is a senator. If he resigns from the Senate the allowance will be resumed. Should he die while a senator, his estate will receive an amount equal to the difference between the total of his contributions, without interest, and the total of any amounts of allowance which had been paid or had become payable to him prior to his death.

Third: What is the position of a member of the House of Commons who is appointed to the Senate immediately upon his resignation from the House of Commons and is otherwise eligible to receive a pension under section 11, subsection (1)? The answer is that the allowance to which he is otherwise entitled is suspended immediately, and will commence at such time as he may resign from the Senate; and if he dies while a senator, his estate will receive a return of his contributions on the basis described in the reply to question 2. That is, he will be in exactly the same position as one who has received the allowance, except that, if he has received nothing, the amount to be credited to his estate will be more than he would be entitled to if he had received an allowance for a certain period.

That, so far as I know, covers all the points which seem pertinent. Personally, as one who is not affected in any way, I feel that this legislation is reasonable, just and long overdue. The honesty of the overwhelming majority of those of all parties engaged in the public life of Canada is undoubted and should be, and I believe is, a matter of national pride. That provision should be made for the needs of their later years, to the cost of which they themselves contribute, is, in my opinion, no more than simple justice. I have always been impressed by financial institutions, particularly banks. Their employees are trained to provide the rest of us with financial advice, but the question of providing for their retirement is taken out of their hands, and from the date they commence to work for these institutions they are required to make contributions to a pension fund, and these contributions are matched by the financial institutions.

Honourable senators, I feel that the principle of this legislation is sound, and I commend it to the favourable consideration of this house.

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

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, now.

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

CANADIAN SHIPS AND SEAMEN

INQUIRY

On the notice of inquiry by Hon. Mr. Duff respecting Canadian ships and seamen:

Hon. Mr. Robertson: Honourable senators, I may say for the record that as soon as the information asked for is made available to me it will be forwarded to the honourable senator who made the inquiry.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, in case I am unable to be in the house at a later stage, I should like to take this opportunity of making a few remarks about the general work done by this house during the current session.

By the end of this session seventy-four bills, apart from divorce bills, will have been handled by the Senate. Two of these bills—the Redistribution Bill and Appropriation Bill No. 4—have not yet reached us, and three others are not being proceeded with this session. Twenty-nine bills—thirteen public bills and sixteen private bills—have been introduced in this house, and forty-five public bills have come to us for consideration from the House of Commons.

At this time I should like to say a word of appreciation about the work done by the subcommittee of the Standing Committee on Banking and Commerce, which considered

the details of the Criminal Code. Honourable senators may not now appreciate how much detailed work was done by this subcommittee, but they undoubtedly will when the Criminal Code Bill is introduced early next session. Each member of the committee contributed his best effort, but I should like to refer particularly to the chairman of the committee (Hon. Mr. Hayden) and to the honourable senators from Vancouver South (Hon. Mr. Farris) and Toronto-Trinity (Hon. Mr. Roebuck), and to the honourable leader of the opposition (Hon. Mr. Haig).

Also, I should like to express a word of appreciation of the work of the Divorce Committee. Unfortunately I was not in the house on Wednesday when the committee's final report of the session was presented. The deputy leader (Hon. Mr. Hugessen) expressed at that time the Senate's deep appreciation of the work done by the committee. I wish to add my tribute to his. I have been more grateful than I can say to the members of the Divorce Committee, and particularly to the chairman (Hon. Mr. Aseltine), for the willingness with which they performed the long and tedious job of hearing evidence in divorce cases. I wish also to mention especially the leader of the opposition (Hon. Mr. Haig), who has made his services available to the committee. In the circumstances, it would not be unreasonable if he declined to give of his time to this unpleasant task. I am sure that I speak for all members of the Senate when I say that we sincerely appreciate the conscientious work that the Divorce Committee has done in the past, and are sure that the committee will serve with equal faithfulness in the future so long as the responsibility of hearing divorce petitions rests upon the Senate.

Some Hon. Senators: Hear, hear.

THE ESTIMATES

REPORT OF COMMITTEE CONCURRED IN

The Senate proceeded to consideration of the report of the Standing Committee on Finance, to whom were referred the Estimates laid before parliament for the fiscal year ending March 31, 1953.

Hon. T. A. Crerar: Honourable senators, I move that this report be concurred in.

My first words after moving concurrence must be of thanks to the committee which sat through practically two months, heard quite a number of witnesses, studied a considerable amount of data, and did so with a harmony that I have never seen excelled in my parliamentary experience. Not that there were not differences of opinion, but the approach of the committee throughout its task was on a high level of co-operation, and, as chairman, I must express my thanks to the committee members.

In dealing with this report may I at the outset make a reference to the general conditions that we find in the world today? If we take stock of political and economic conditions, we see a world that is in turmoil and confusion, and full of doubt and uncertainties as to the future. It is not necessary for me to relate to the members of this house the reasons for that state of affairs. We see the world divided into two vast camps, mutually antagonistic, not alone in the field of their ordinary relationships, but waging a great conflict of ideals, a great conflict indeed for the soul of humanity in the future. That this is due to Russian policy needs scarcely to be said. For some strange reason, the Russian mentality has seized upon the ideal of communism as a means of bolstering and strengthening throughout the world the ideas that communists represent. One can understand the philosophy of communism, even though disagreeing with it; but what we see is not so much devotion to the ideal of the communist philosophy. That has been replaced by the most naked imperialism the world has ever seen.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: And in this vast struggle that is being played upon the world stage we have seen so far only the opening phases. That Russia is building up her military power cannot be questioned. That she endeavours to dominate every country within the range of her interest, cannot be questioned either. We see the Far Eastern part of Asia in a ferment, not so much because of the propagation of the communist philosophy, but because of the endeavour to enlarge the sphere of Russian influence and power. We see India subjected to this campaign of infiltration; and the same thing is going on in the Near East, and in Europe. Indeed, it may be said that outside of the North American and the South American continents, these gigantic forces are in conflict everywhere today, and there is no visible sign that the conflict will be resolved at an early date.

We have today a war of nerves. Russia, by confusing the public opinion of the nations, by playing upon their fears and susceptibilities in every direction, is steadily endeavouring to undermine the whole concept of freedom and liberty throughout the world. That is what is happening. Now, we cannot be blind to the fact that the nature of that struggle, of the Russian attack, has a terrific impact upon the world at large. The western

world for the last twenty-five years or so has been more concerned with security and the advancement of its material well-being than, perhaps, with anything else. But the issue of these times is an issue of a spiritual and a moral character; it is whether or not freedom, in all its aspects, so far as the individual is concerned, is going to remain a force in the world. The alternative is the development of a naked tyranny, which Russia seeks to expand in every way she can and in every country. And it is inevitable that unless the western countries can rally their moral and spiritual powers in a way that they have not done up to the present time, deterioration—slow at the beginning, but accelerating as time passes—is bound to follow. That, honourable senators, is the background against which the report we now have under consideration should be analysed and judged. What is Canada's place in all this vast, swirling eddy of world affairs? It is worthwhile to look at that question for a moment or two.

I have said before in this house—and others have said it more eloquently than I—that there is no country in history that can equal Canada in the progress she has made in the eighty odd years since confederation. In our standard of living, in all the amenities that go to make up a decent civilization, we have been well out in the forefront. We have opened up half a continent; we have given it institutions of learning and government; we have a free press, freedom of religion, and with all that we have developed in a material way which, I repeat, has not been surpassed, and has rarely if ever been equalled.

Canada is a country of fourteen million people and is less than a hundred years old, but she is now the third trading nation in the world. Our production in relation to our population is unparalleled today. This is our heritage, not only in material things and in standard of living, but in the freedoms we enjoy—our free press, the free exercise of our religion and our unfettered parliamentary institutions. These are the things that we must jealously guard in our relationship with the rest of the world today.

To that end the Canadian people have willingly, within the past few years, taken on commitments which even a generation ago would have been unthinkable. We are committed in the NATO arrangements for the preservation of peace in Europe. Just the other day the honourable senator from Inkerman (Hon. Mr. Hugessen) introduced the protocol under the North Atlantic Treaty, which further enlarges our responsibilities. Our participation, so far as I know, was approved without a dissenting voice in Canada. That in itself indicates an awareness, instinctive perhaps, on the part of the Canadian people, of the vast issues that are at stake.

Notwithstanding all this, I think it must be said that there is a somewhat easy optimism throughout this country. Perhaps that is an attitude not confined to Canada alone. As the world struggle goes on we become more or less acclimatized to it, but I doubt very much if the Canadian people fully realize the truly vital issues that are at stake. The report holds out some warnings on that point. We have endeavoured to suggest that there are considerations which the Canadian people must not overlook, if they are to fully guard themselves in the future.

The North American continent, it has been said, falls very easily into optimistic moods. A few days ago we considered in this house a measure for the reorganization of the financial structure of the Canadian National Railways. I endeavoured on that occasion to point out that what we were doing by the bill then before us was the climax of the optimism of forty, fifty, sixty years ago. It is an easy conception to hold that we shall ever be on the up and up, that we are going to have a steadily expanding economy, and that as a consequence we can without fear meet any of the dangers that our economy may face in the future. I suggest to my honourable colleagues that that is a matter for sober reflection.

Looking at our economy today and the economy of the world generally, I find it impossible—and I do not profess to be an economist—to see any clear course along which our economy may function over the next five years. I am firmly convinced that the dangers of inflation are not yet over. The reasons for so thinking are set out in this report. One fact of which I am thoroughly convinced is that our ability to maintain the material welfare of this country depends more than anything else upon our ability to find markets abroad for the products of the people of Canada. Our fourteen million people are for the most part energetic and resourceful, and Providence has endowed this country with natural resources that can scarcely be equalled in any other country of the world.

In a normal world we could look forward to an expanding economy and to ever-improving conditions; but against this prospect has come the impact of the world situation, which I sketched a little earlier. We find ourselves committed, along with our co-partners in the NATO alliance to meet

large defence expenditures. I am not criticizing those expenditures; we can not avoid them. To attempt to shirk our responsibilities in this respect would only imperil our freedom and liberty in the future. I believe the most important obligation of the Canadian people, and of all freedom-loving nations in the world, is to maintain that freedom and liberty. By freedom and liberty I mean the right to go about our ordinary vocations and live within an ordered law of our own making, the right to worship as we please and freely carry on our discussions of public affairs. These are the priceless things which in the generations of men who have passed on were achieved by the shedding of much blood, and these are the things which above all else we must guard and cherish. A greater degree of inflation might carry us along for some time, but in the end it could only produce very grave results. We all hope that the inflation which has been so much in evidence during the last five or six years is now under control, but I am bound to admit that anyone who reviews the world situation today cannot hold that hope without reservations. If world economic conditions grow worse, and if as a consequence our markets contract and we are unable to find adequate outlets for the products of Canadian labour and industry we may face a situation in which our economic wellbeing, instead of increasing, will decline. To my mind one of the most significant statements in the budget speech was the one quoted in our report, wherein Mr. Abbott warned the House of Commons that a shift in prices of one per cent either way would mean a difference of $400 million in our total gross product and this in turn would affect the federal revenues of the country to the extent of from $80 million to $85 million.

If that statement signifies anything, it means that we are walking along a perilous ledge. In the light of that fact, which this report tries to emphasize, I think the Canadian people today are taking things rather too easily; they are proceeding too much on the assumption that everything is always going to be lovely. But if, on the contrary, we were to lose our markets to any serious extent, if the price level should decline, and if our revenues consequently should fall as they almost certainly would, we would be faced with either increased taxation or deficits, or both. That consideration applies not only to the federal government but to every government, provincial and municipal, throughout this country. All would be in the same boat. So we should try as far as possible to be prepared against that eventuality.

I do not believe there is any alternative to the old-fashioned remedy of economy, not only in personal spending but in public spending. Today, on all levels of government, with this huge defence expenditure of two billion dollars a year hanging over us, we must economize in every possible way. As the report points out, taxation now absorbs about one-third of our net national income. Six thousand million dollars is a great deal of money for the Canadian people to pay in taxes, and it is incumbent upon everyone who is charged with responsibilities in this connection to so order the public business that the tax burden shall be as light as possible, and wherever practicable shall be reduced. There is no question, with the kind of world we are living in today, that uncertainty and doubt and fear will be with us for several years to come. Personally I am under no illusion that our defence expenditures will be limited to one year, or two years, or three. If present conditions continue —and their possibilities in terms of danger need scarcely be stressed to members of this house—we shall probably be spending as much three years hence as we are doing today.

I wish to say a word or two about the recommendations which have been made in the report.

The first has to do with the quantity of printed productions which issues from government departments. It will be recalled by members of the committee that during the progress of our inquiry a request was made for a list of all the publications issued by departments of government in the last fiscal year. As I recall, the request came from the honourable senator from Dartmouth-Halifax (Hon. Mr. Isnor) and was made to Mr. Bryce, the secretary of the Treasury Board. Naturally the preparation of this list took a considerable time, and it was only yesterday that I received it. Here it is; and when you look through it I think you will agree that every kind of publication which one can imagine is included. I have not had the opportunity to study it closely, but in glancing over it I wondered how we manage to get along with only one printing bureau; it looks as though two or three plants would be needed. How much of this output is necessary? That is a question to which some study should be given.

One recommendation of the committee is that all departments should be obliged to budget for their postage. The only exception —and this, for special and sufficient reasons —is the personal mail of members of parliament while parliament is in session, the only period in which the franking privilege is available to them. I venture to say that if government departments were required to

budget for their postage the number of publications listed in this return could be reduced by nearly fifty per cent.

The next recommendation deals with a practice—and it is not new, for it has been developing over a great many years—whereby departments of government perform for themselves such functions as the construction, maintenance and upkeep of their buildings. Under the Public Works Act, as the report states, that responsibility was primarily placed upon the Department of Public Works, and we think it should be returned there.

It is interesting to note in the summary of estimates that the Post Office does not spend a single dollar for erecting and maintaining new buildings, or for renting office premises. This service is all furnished by the Public Works Department, which maintains a staff for this purpose; and so it seems to us that there is duplication whenever another department of the government engages in this type of work. And where you have duplication you are bound to have increased expense. In any event, this recommendation is made in the modest hope of the committee that the government may give it some consideration.

The last recommendation deals with the same principle—that some study should be made by the federal and provincial governments to ascertain whether an overlapping of services exists, and to take the necessary steps to remedy this situation wherever possible. Anyone who is even slightly familiar with the conduct of public business realizes that the federal government and the provincial governments have many departments that are the same. I mention health and welfare, and agriculture, as examples. The provincial governments do much of the same kind of work that is done by the federal government in the field of agriculture. It should be possible to evolve some plan whereby the provincial and federal governments can perform their duties and responsibilities without duplicating their services.

Honourable senators, those are the recommendations made in the report. I do not know what attention will be given them, but I maintain that they are worthy of serious consideration.

The object of the committee in making these recommendations is to suggest that the administration of our public business at all levels of government should be established on as economic and efficient a basis as possible. The heavy increases that have taken place in government expenditures over the last ten or twelve years arise mainly from the expansion of government services in almost all directions. It would appear that many of these could be curtailed without injury to the public interest, which, after all, is the paramount interest. When you have government expansion of services—I care not in what direction they go—you have additional tax burdens placed upon the people. I think the tax burden carried by our people has just about reached the limit, if we are not to halt, stifle and retard the development of this country.

In conclusion, I think we can accept it as a fact that we shall have to live under present world conditions for some considerable period of time. We all fervently hope that another war may be avoided. Almost anything would be better than a catastrophe such as war would bring, which might well destroy our western civilization. At the same time we realize that if we are to avoid war we must be strong and do our part along with the other western nations who are banding together to meet this great challenge from Russia. We must not forget that each one of us has a challenge to meet here at home—the challenge to think clearly, with vision unobscured as to what are the real issues in this conflict. We must realize that the important thing is not the personal security that we are reaching out to achieve, desirable as that may be, but the maintenance in this world of the freedom and liberty upon which has been built the progress of human civilization.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: That is the challenge which faces each one of us, and I make no bones about saying so; it is the challenge to put the supreme issues first and let the paltry secondary issues fall by the wayside.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, it is a brave man indeed who would rise in his place in this chamber to make a speech on this subject after the brilliant oration which has just been delivered by the honourable gentleman from Churchill (Hon. Mr. Crerar).

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I shall not attempt to make a speech. I agree 100 per cent with every word our colleague has said, but as one who has served on this committee down through the years I should like to add a further thought.

The important thing is that every Canadian should read this report. Every magazine and newspaper editor and reporter, every teacher, preacher and educator throughout

the land should study this report, because it is in this way that the report can make its greatest contribution to the people of Canada.

Honourable members, at this time I should like to pay a special compliment to the chairman of our committee (Hon. Mr. Crerar).

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I have known the honourable gentleman for a long time. We both come from the same province, and I have known him as a citizen, a businessman, a politician, a Cabinet Minister, a member of the House of Commons and a member of the Senate. And he runs true to form in every place you put him. What makes the committee's report so valuable, so very valuable, is the co-operation that he, and he alone, received not only from civil servants but from members of the government whom he asked to assist us by giving us information. Throughout our inquiry I found no evidence of any attempt by anyone to prevent civil servants from telling us exactly the facts in the case under study. I give the government credit for that, but I give the main credit to my honourable friend, because after having served as a minister of the Crown in Canada for many years he has left on the civil service the impression that he is a gentleman and can be trusted. That was a feeling I had throughout our inquiry. Whenever any civil servant was asked to give evidence before our committee he felt safe, realizing that the chairman would not allow a witness to be put in a false position because of anything he might say to us.

Secondly, I wish to pay tribute not only to the main committee itself, which performed a good service, but to my fellow members of the steering committee. One danger, as I see it, is that members of the public who read the committee's proceedings and report might have the idea that our questions and suggestions reflected some political leaning or bias. To show how unfounded this idea is, I am going to outline how the steering committee worked. It is not necessary for me to name its members. We had a large number of meetings, five members being present, and at each one there was a frank discussion of the subjects being considered.

First we met to decide what we should try to do. Opinions were expressed by everybody, and finally we came to unanimous agreement on the ideas that we would try to get over in our report. From time to time we met to decide whether we should call this witness or that, whether we should follow up the evidence along some certain line; and sometimes, honourable senators, it took a couple of hours to get those five hard-headed people to agree on these points. But in the end we always did agree. When we came to the work of drafting a report, each of us brought to the meeting his own ideas and suggestions of what the report should contain, and eventually we reached a unanimous conclusion on the whole matter. Some people may think that that was not a big job. But I assure you, honourable senators, that it was. We wanted the report to be an expression to the people of what the Senate thinks about present conditions, not only in Canada, including its provinces and municipalities, but in the world itself. Whether we accomplished that or not is for the house to say.

When we had brought all our suggestions together and agreed upon which of them should be incorporated in the report, we then asked the chairman to draft a preliminary report. After this was done, we asked one of our members, who was formerly a well-known newspaper man, to give the report a little newspaper touch. He took it away, and in two or three days or so brought it back with certain suggested changes; and then we redrafted the report. After that we had another meeting, and for two solid hours we went over the redrafted report, line by line, section by section, deleting words here and adding them there as we thought necessary. All members of the steering committee were present, as they had been at all meetings, except in one or two unavoidable instances; I know that at least three of us were present at every meeting. Then after we had finally agreed upon our final report it was submitted to the main committee, which, after making a few changes, unanimously concurred in the document that is now before the Senate.

To the newspaper editors of Canada, to the principals of our universities and of our high schools and public schools, to all people interested in and concerned with education in Canada, I say that a reading of the committee's report will give an up-to-date picture of the financial situation in the municipal, provincial and federal fields of this country. Anyone who wishes to understand our financial position may do so by reading the report.

I agree with all that was said by the chairman of the committee, the senator from Churchill (Hon. Mr. Crerar), about the present world situation. I am persuaded—and I say this because it is awfully close to my heart—that the Russian leaders believe they can conquer us by worrying us and causing us to overburden our industries and economy until we use up our resources; in short, that they can out-wait us and defeat us without having to fire a gun. I say that because of what they have done in the Far East. Their policy is to get somebody else to fight their

battles for them. They get people in various countries—even in our country—to accept their ideas. I am not here to defend a fool like Endicott, who is just a crazy man that has gone off the deep end. What puzzles me is how they get a man to go that way. Their philosophy appeals to cranks of that type in all civilized countries. Some men and women who have formerly lived normal and decent lives become infected with the Russian psychology; and the strange thing is that the worst deceit in Russia seems to make the strongest appeal to certain people. It seems to work in reverse ratio. I do not believe that many of these people would fall for the communist ideal if the Russian leaders ever acted decently; but they never act decently, at any time, under any conditions.

In our report we are trying to prepare Canada to stand up and protect her economy. It may be that some of the defence expenditures can be criticized—I am not saying they cannot—but we are not touching on them at all, for we have not sufficient knowledge about them to express a definite opinion. We are whole-heartedly—at least, I am, and I think the whole committee is—whole-heartedly in favour of the defence expenditures now being made in Canada. But I do not believe that as conditions are today Canada can go on spending for defence and civilian purposes a total of more than $6 billion a year. I do not feel that things in general are a bit better today than they were a year ago. Honestly, I think that so far as the cold war with Russia is concerned, the situation is actually worse than it was last year; and all indications point to a long struggle. Of course nobody can hope to positively predict the outcome of events, for no one knows when somebody, on either side, may drop a match in the powder magazine.

I believe the report before us is a good one, that by it we as senators are making a real contribution to the economic education of the Canadian people, and that our policy of studying the estimates should be continued.

I would refer again to the part that newspaper editors—whether of large city dailies or rural weekly papers—may play in making good use of the facts which the report contains. For my part, I would say there is in the report enough information on which to base an editorial every week in the year. It sets out what the federal government is spending, the costs of administration in the provincial fields, and how year by year each has gone up. It was pointed out to each witness who appeared before the committee that Canada's gross national product was about $18 billion, and that of that amount $6 billion was the maximum we should use for public expenditure. Now we find that the expenditures of our school boards, our municipalities and our provincial governments have doubled, and in some cases trebled, in the last ten or fifteen years. Such increases cannot continue, if we are to meet our international obligations.

Before concluding I wish to again congratulate the Senate in having as chairman of this committee the honourable member from Churchill (Hon. Mr. Crerar), who has given such signal service in this respect. Indeed, I think that the reports of this committee which he has placed before parliament over the past three years may be regarded as his greatest contribution during his entire public career.

Some Hon. Senators: Hear, hear.

Hon. J. J. Hayes Doone: Honourable senators, I concur whole-heartedly in the opening remarks of the leader opposite (Hon. Mr. Haig) with respect to the outstanding eloquence of the chairman of the Committee on Finance and the splendid, constructive work of which he was the inspiration and the directing force. I regret that I was not a member of the committee, and that when it was meeting I was engaged in other parliamentary work in consequence of which I did not have an opportunity to examine the estimates which were laid before parliament. I must, therefore, at this stage make such comments as I regard necessary to place before this house the interests of the people whom I specifically represent.

I wish to speak about markets, a subject stressed so prominently by the chairman of the committee (Hon. Mr. Crerar) in moving the adoption of the report. In this respect, honourable senators, I should like to ask if there is any item in the estimates of either the Department of Fisheries or the Department of Trade and Commerce for the promotion of trade in respect to Maritime fisheries. And if there is not, why not?

In making my observations on this subject I have nothing to say by way of criticism of promotional effort in other fields. If other sections of Canada are receiving benefits, the situation meets with my approval. But I do suggest and I do hope that the fishermen of the Maritime Provinces may walk hand in hand with their fellow Canadians in the ways of progress and prosperity. The synthetic trade policy of the past few years, based as it is on international relations and currency control, has finally caught up with the limited trade outlets for Maritime industry, and, for the time at least, has

rendered this happy suggestion impossible. Cumulative results of restrictive regulations are far from Maritime expectations. As members of the great Canadian family, our expectations were very different from the realization.

For years, when complaints of isolation and geographical handicaps were registered, we were told that our economic survival rested in our use of the seas, that water-borne traffic was the answer to our hopes of prosperity and commercial advancement. As early as 1912 a treaty having this in view was negotiated with the British West Indies. In the preamble to the joint enabling legislation which followed there was a statement to the effect that the purpose of the treaty was to promote mutual trade relations and improve communications between the parties to the agreement. The Act was modified or extended from time to time and proved of material service, but it has been rendered abortive by recent currency restrictions and the direction of trade through unnatural channels.

The West Indies, Jamaica, Trinidad, British Guiana and the Barbadoes, where for so many years the staple food of the citizens was Canadian flour and fish, have been closed to the Maritime fisheries. Former world markets are similarly inaccessible. New Zealand, the Fiji Islands and Australia are not open to competition. Norwegian packers are presently selling 500,000 cases in Australia, a market formerly enjoyed in large measure by Canadian shippers. In the Melbourne *Herald* of May 17, 1952, the following news item appears—I quote:

> London, Fri. Britain has concluded a £1 million food deal with Russia the Food Ministry announced today. Britain will supply Russia with canned herrings worth £800,000. Russia will supply Britain with canned salmon worth about £800,000 and about £150,000 worth of crabmeat.

Apparently negotiated trade is possible, but it does not trickle through to Maritime industry. South Africa, which offered a sound and steady market, admits a dribble of its former purchases under an import licence system. Buyers there who are anxious to purchase Canadian fish must sacrifice a large portion of their exchange to secure stocks. This is a market which after the Imperial Conference of 1932 advanced from 11,000 to 120,000 cases by the year 1940. I believe its later development was well sustained, but that is beyond my personal knowledge. That the situation will offer no improvement during the current season arises from advices that available exchange has been reduced this year by £70 million.

East Africa, including Tanganyika, Kenya Colony and Zanzibar, has been closed to Canadian products. Northern and Southern Rhodesia, British West Africa and the Northwest African coast are total blackouts. Hong Kong maintains connections with a few cases. In the Malay Peninsula and the Straits Settlements, which in the past were large purchasers; in Java, a very fair market; in Sumatra, North Borneo, and the Celebes, sources of demand are restrained by currency restrictions.

Mexico, a heavy buyer of former years, has curtailed importations. In Mexico, moreover, certain restrictions of a nuisance character are impediments to free shipment. The name of the shipper and the name of the agent must be registered. On registration a number is given which must appear on the label. In normal business it is necessary to buy in quantity lots. If changes are made in the registration number, a condition which frequently occurs, labels, become obsolete and must be destroyed. This and similar conditions are matters which can only be corrected at government level.

In the Dominican Republic sales are possible, but with an *ad valorem* duty of 60 per cent tins must be sold at a price constituting a sales resistance. It is significant at this point to note that England buys large quantities of sugar from the Dominican Republic, paying in dollars, but her purchases from the West Indies are paid for in sterling. Cuba extends a preference to the United States, rendering competitive selling by Canadian packers a price-paring process if sales are to be effected.

The United States market is practically closed, as Canadian packers must contend against a 20 per cent *ad valorem* duty with our money now selling at a premium.

Market losses represent several hundred thousand cases and are a serious blow to our fisheries. In the meantime the good-will established through years of experimental work, through advertising and trade policy is fast becoming a fading memory. In addition, millions of dollars paid out by private shipping companies, and subsidies paid by the Dominion Government, are in the category of lost investments.

On the south coast of New Brunswick the effects are keenly felt. Eastport factories, usually open by April 15, have not packed a single case this season. It is evident to anyone who stops to think that American inactivity is due to market conditions. Soft prices at the retail level is the answer. On the Canadian side of the border, the home of the sardine, factories are closed in Grand Manan, Campobello, Deer Island, Back Bay and Beaver Harbour. Connors Bros. Limited,

of Blacks Harbour have large inventories, and other packers are similarly affected. A few fish are going to American packers for cat and dog food and for fertilizer. Otherwise, the Blacks Harbour plant is the only purchaser. That the picture is not overdrawn is evidenced by the fact that many small factories which opened and thrived under wartime conditions have gone to the wall. Only those fishing plants large enough to make by-products a paying issue have survived. The conditions as stated apply despite desperate efforts on the part of canners to stimulate markets and search out avenues of sale. Connors Bros. Limited, at Blacks Harbour, have a $75,000 laboratory, expert chemists and research workers avidly seeking new and attractive products. The American canners last year set aside 25 cents a case for research for better ways of packing and marketing.

That these matters are misunderstood is one of the tragedies of trade. Recently it was suggested that the depressed state of the sardine industry arose from the reluctance of canners to pay higher prices to the primary producers. The statement was no doubt sincerely, if mistakenly made, but it was apparently made without a complete study into effects and causes. This is emphatic proof that to attempt the solution of any problem we must know in clearly defined terms what the problem is. To work on any other basis is a futile and misleading practice. The surface solution as far as the primary producer is concerned is higher prices for fish. With factories closed for want of markets, the solution is not so simple or so easy to put into words. Under such conditions a staple price over a period of years to the primary producer has not even the glow worm of a promise. With the finished product selling, as I have seen it sell in the South African market, at eight shillings a case in depreciated currency, the possibility in past years would be fantastic.

The size factor is another impediment to standard prices. Practical experience demonstrates that fish range in size to pack out at anywhere from eleven to thirty cases per hogshead. The cost per case for the finished product in such circumstances might triple in respect to fish content, and at $15 per hogshead the packing cost might vary from fifty cents to $1.50 per case. These figures are instructive and impressive. Under war conditions, when a set price of $15 per hogshead was operative,—due entirely to an effort to check inflation, and in the public interest,—general satisfaction was displayed. The only criticism voiced in respect to the matter was by members of the armed forces, who considered themselves unfortunate in being unable to participate in what they regarded as the lush years of the fishing industry.

The important point, however and the lesson to be learned, is that the price was maintained by reason of the fact, and only by reason of the fact that markets were available. The failure in today's turn of events is the failure of markets to stand up under present conditions. It is not a question of the canners providing a market for the primary producers. That market cannot be maintained unless a selling market for canned goods is openly available. The essence of this comment lies in the fact that canners are merely distributors of a saleable product under the competitive incidence of trade. There is no question about that.

The whole history of the manufacturers shows a sound policy of live and let live. Weirmen, boatmen and fishermen have been financed by manufacturers in the most generous measure. Credit has been widely extended, and prices have been maintained beyond expected limits and the immediate needs. Factory-owned weirs have remained unseined to give wider distribution in the matter of purchases. In all transactions of purchase and accommodation the honour and probity of the manufacturers has been unquestioned. They have gained in world markets an enviable reputation for honest dealing and commercial integrity, and have sustained at home, both in the trade and among primary producers, a similar standard of wholesome approval. The development of today is in no sense a local one. It is the thrusting back on the home market of supplies which in former years found outlets in many foreign countries.

The situation, therefore, should be the subject of intensive inquiry, and negotiation at government level to provide sources of disposal.

Should anyone question my knowledge of the points at issue, I may again inform the Senate that I was born and have lived on the seashore; that for twenty years I corresponded with and directed shipments of fish products to almost every known port of the world; that after intensive and prolonged study of the intricacies of the fishing industry, I prepared the New Brunswick brief upon this subject for presentation to the Imperial Conference of 1932, and that for the greater part of a lifetime I have studied the involved problems presented in every phase of the industry.

From my experience and from my studies, I again repeat that receptive markets are the

only answers to a recession in sales and to the disturbing features presented to both packers and primary fish producers.

I would welcome, therefore, information on the point of my original inquiry as to whether any study is being given or will be given to the re-establishment of this industry's foreign trade.

In the Ottawa *Journal* of Thursday, June 12, Canada's Minister of Resources, in addressing an American audience, is reported as having said:

> The products of our mines, fields and forests contribute not only to our standard of living but to the strength of our defences. Canada's resources have become a bulwark in the defence of a free world whose need for them has grown with its preparations to defend itself.

Let us add the products of the sea to the list of factors contributing to our living standard and to the resources which may be spoken of with pride as part of Canada's sound economic structure.

Some Hon. Senators: Hear, hear.

Hon. A. K. Hugessen: Honourable senators, in the absence of the leader of the government, (Hon. Mr. Robertson), there are perhaps one or two remarks that I should add to this discussion.

I am afraid that I was totally incompetent to follow the honourable member who has just spoken (Hon. Mr. Doone) because of my almost total ignorance of the subject which he discussed in such an interesting manner. The only observation I should like to make with regard to what he said is that it has been my understanding that during the last two or three years the Department of Fisheries had been extremely active along the lines suggested by the honourable senator. The department is extremely well staffed and is doing its best to procure and obtain markets for the fishery products of the Maritime Provinces.

Hon. Mr. Farris: And we have a very capable Minister of Fisheries.

Hon. Mr. Hugessen: Yes.

I should like at this time to say a word about the extremely eloquent speech made by our honourable colleague from Churchill (Hon. Mr. Crerar). The compliments he has already received make it unnecessary for me to say anything except that I listened to him with a great deal of pleasure and a considerable degree of profit.

I agree entirely with the leader opposite (Hon. Mr. Haig) as to the value which has come to be attached during the last two or three years to the reports which the Finance Committee has made to this house each year under the direction of my good friend from Churchill. I am not as apprehensive as they are, however, about the absence of effect of these reports upon the public mind. I have noticed in the last two or three years, in increasing degree, a tendency on the part of the newspapers to comment very favourably in their editorial columns on the reports rendered by the Finance Committee and, indeed, to give considerable publicity and support to the recommendations contained in these reports. I have no doubt that the present report will fall into line and take its place with those which have come from the same source in former years. There is no doubt that this report contains valuable information, and I have every expectation that over the course of the next few weeks it will be quoted with approval by the press of the country. I should add that not only does the press give favourable notice to these reports, but that the public itself is beginning to realize that they contain a most interesting survey of general conditions in the country, a survey which is completely divorced, as has been said by the leader opposite (Hon. Mr. Haig), from any question of partisan politics.

In conclusion, I should like to say that we fully appreciate all the work that the chairman and the members of the committee have done in preparing this report. At the same time, I think we should always remember that the basis of the information which these reports contain is prepared for us by the members of our civil service—

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: —and I think that at this stage we should extend a word of commendation to the members of the civil service who appeared before this committee, and who prepared, itemized and tabulated the extremely valuable information that the report contains.

Some Hon. Senators: Hear, hear.

Hon. G. P. Burchill: Honourable senators, I wish to join in the tribute that has been paid to the senator from Churchill (Hon. Mr. Crerar) for the magnificent work that he did as Chairman of the Finance Committee, and for his wonderful address of this afternoon. As a member of the committee I can testify to the tremendous amount of labour that the Chairman put into his task, and I am sure the report will justify everything that has been said about it this afternoon.

I regret very much that it was necessary to present the report at such a late hour of the session, when only a relatively few members of the Senate were present to consider it. Let us hope for an improvement in this respect next session.

Hon. Mr. Crerar: Honourable senators, if I may claim the privilege of a few words in closing the discussion, I should like to associate myself entirely with what was said by the leader of the opposition (Hon. Mr. Haig) about the steering committee. The omission to refer to the steering committee was a curious lapse on my part, for I had an item about it in my notes. The steering committee did very excellent work, and as chairman I cannot speak too highly of the co-operation I had from that committee, as I also did from the general committee. What the leader of the opposition said about the careful drafting of the report by the steering committee is according to fact.

One more point. I am a modest man, honourable senators, and I am a bit overwhelmed by the compliments showered upon me this afternoon. I think they have been a little too flattering. Nevertheless I want to express my thanks to my colleagues for the kind things they have said about me.

I also wish to associate myself very warmly indeed with the remarks of the acting leader of the house (Hon. Mr. Hugessen) as to the splendid co-operation we had from several departments of the civil service and the assistance they gave to the committee in its work.

The motion was agreed to, and the report was concurred in.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE BILL

COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill 306, an Act to amend the Combines Investigation Act and the Criminal Code.

Hon. J. W. de B. Farris: Honourable senators, I move that the amendments be concurred in.

Hon. G. P. Burchill: Honourable senators, I would not be honest with myself if I did not say something before this report is carried. I think that some of the sections go further than is necessary, and are what might be called hasty legislation.

My business interests are very modest and are confined to my native province. I have no connection whatever with "big interests". I am entirely actuated by what I believe to be a sense of sound policy for the treatment and regulation of Canadian business and industry, and in that connection I am bound to say that the present bill introduces undesirable features and goes further than is wholesome or necessary.

I feel that we in Canada owe a lot to our leaders in business and industry. We can well be proud of the achievements of these men, who in co-operation with their staffs and employees have set a world's record in the last five years in Canada.

A glance at the income tax and revenue of this country will show the substantial amount that industry contributes to the national treasury. Add to that the amount that comes out of the pay envelopes and from the earnings of the people who are directly employed by industry, to say nothing of the people who are indirectly affected, and it is clear that the commercial life of this country at the present time is carrying a tremendous load and is responsible for a large share of the revenues of the nation. In addition, we must remember that there are employed in Canada today something like 3,725,000 people, whose welfare and prosperity are all bound up in industry.

I should like to pay tribute to the character of our Canadian businessmen, and to emphasize my belief that Canada's prosperity and welfare are closely linked with a cordial and happy relationship between government and the industrial leaders of our nation.

This bill is based on the report of the MacQuarrie Committee. There was no representative of business or anyone having a practical knowledge of the business world on that committee. Moreover, I wonder how many honourable senators have read the committee's report.

The bill introduces some new principles of law which have never before been a part of the criminal law of this nation for dealing with any crime whatever. Another new feature is the provision to investigate situations before any crime has been committed. While the powers given by the bill can no doubt be safely left in the hands of our present Minister of Justice and his deputies, we must remember that we are passing legislation which will be a part of the laws of this nation long after we have disappeared, and it seems to me these powers are capable of being made use of some day by another government in a very unscrupulous manner.

Monopoly has been described as an undue lessening of competition. It is common knowledge that some so-called monopolies are in the public interest and stabilize employment. The fixing of prices has become a national habit, as our farmer friends must agree, and floor and ceiling prices are established by government.

For this young and vigorous country, with its wealth of raw materials, we predict a

great future; its potential wealth is immeasurable; but it is most important that the rules and regulations by which these resources are developed shall be sound and fair to all concerned, not forgetting the man who risks his capital.

For these reasons, I think it would have been the part of wisdom and fairness to delay some sections of the legislation for further study next session, until Canadian businessmen, through their associations, had more time to make their representations, as they requested.

I felt, honourable members, that I should place this statement on our records.

Hon. Mr. Farris: Honourable senators, as acting chairman of the committee I should perhaps say a word. I endorse everything that my friend from Northumberland (Hon. Mr. Burchill) has said, with perhaps one exception. I endorse first his very clear statement of the great importance of industry in this country, for it is essential to our very existence. And no one will challenge what he said about the high character of the men who lead in industry in Canada.

Also, I am in sympathy with his remarks about the MacQuarrie Committee. The members of that committee were of the highest standing. The Chairman, Mr. Justice MacQuarrie, was a lawyer of distinction, and a former attorney general of Nova Scotia, but I doubt whether the directors of any well established or newly formed industry would consider appointing him as its manager. His four associates are distinguished in economic life; university men of high standing and a great capacity for clear thinking. But I doubt if any honourable senator would want to put his money into a company which any one of those gentlemen managed and for whose payroll he was responsible.

I feel that one should contrast that kind of commission with one that might have been established to deal with the affairs of labour in this country. After all, this commission was dealing with the most vital things of industry. I ask honourable senators to picture a commission with the authority and power that this commission had in respect of industry, but acting in a similar way with regard to labour questions, and not a single labour man on it. I venture to say that if such a thing had happened there would have gone up in this country a roar of protest that could not have been resisted. In freely making that observation I may say that, as a lifelong Liberal and, as far as I can now see, one who expects to remain a Liberal for the rest of his days, I am usually a little apprehensive when making remarks that may savour of criticism of the government, lest one of its opponents may say, "Look at this old gray-haired Liberal, and listen to what he says about the Liberal party!" But I feel no such apprehension in this instance, honourable senators, because my remarks apply equally to all parties. I venture to say that if industry had as many votes as labour has, the attitude taken on this question would have been entirely different.

While I do not feel competent to attack the bill, neither do I feel that I would be prepared to accept it solely on the report of a commission—particularly when it did not fully represent all the viewpoints affected—regardless of how long it sat and how carefully it studied the matter before it. Having gone that far, honourable senators, I would point out that the House of Commons unanimously endorsed this bill before it was amended by our committee. The committee had the choice of either complying with the suggestion that the bill be flatly rejected for this session and allowed to go over to the fall, or of offering amendments to the bill as it came to us. The general opinion of the committee was sound, I think, in view of the fact that for two years or more this subject has been before the commission or before the government; and that full opportunity had been given to members of Parliament of every party, and to all interested persons, to make representations. If they did not choose to avail themselves of the opportunity, that is their responsibility. But when the measure was before the other house, the elected representatives of the people supported it unanimously. Our duty, therefore, was to do exactly what we did.

The Minister of Justice appeared before the committee and spent some time in a frank and open discussion; he expressed his views fully, and answered every question that was asked of him. We made suggestions by way of amendment, some of which the Minister was reluctant to accede to; but in the end he was in complete agreement with the amendments that were made. I think we materially improved the bill, and that we went as far as the members of an appointed body should go in dealing with legislation of this kind.

In my opinion this house should have no hesitation in adopting the bill as amended.

The Hon. the Speaker: Honourable senators, the motion is for concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 306, an Act to amend the Combines Investigation

Act and the Criminal Code. Is it your pleasure to concur in the motion?

Hon. Mr. Paterson: On division!

The motion was agreed to, and the amendments were concurred in, on division.

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, now.

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

MARINE AND AVIATION WAR RISKS BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 336, an Act respecting Marine and Aviation War Risks Insurance and Reinsurance Agreements.

He said: Honourable senators, this is a short and simple bill. It permits the Minister of Finance to make contracts of insurance or reinsurance for war risks in respect of aircraft, vessels and cargoes owned by Canadian citizens. It is what might be called "stand-by legislation". The regular insurance companies have felt themselves unable to insure against war risks; and should there be any likelihood of an outbreak of war, and no means of insuring aircraft, vessels and cargoes, it is quite conceivable that Canadian aircraft and vessels would have to stay on land and in port because they would not be insured in the event of such an outbreak.

Both the United States and Great Britain have passed legislation similar to that provided by the bill now before us.

Honourable senators will recall that this house a few days ago passed a bill incorporating the Canadian Shipowners Mutual Assurance Association, an association being formed by the shipowners of Canada for the purpose of carrying war insurance on Canadian vessels and cargoes. It is that insurance which will be reinsured by the Minister of Finance under this bill, as and when the need arises.

I may say that this morning the subject matter of the bill was explained to the Standing Committee on Banking and Commerce, and the proposal contained in the bill received the unanimous approval of that committee.

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

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, now.

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

CURRENCY, MINT AND EXCHANGE FUND BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 390, an Act respecting Currency, the Royal Canadian Mint and the Exchange Fund.

He said: Honourable senators, this bill also was considered in a preliminary way by the Standing Committee on Banking and Commerce this morning, when we had as a witness Dr. Clark, the Deputy Minister of Finance, who gave us some extremely interesting explanations.

The bill for the most part is merely a putting together, in a single form and in a modernized version, of the existing legislation respecting currency, the Royal Canadian Mint, and the Exchange Fund. It is divided into four sections, on each of which I will comment very briefly.

Part I is under the heading "currency and coinage", and it relates to the monetary unit of Canada and to subsidiary coins which may be issued. Section 4 contains a provision which would permit of the reissue by the Mint of gold coins in this country if and when the fortunate event should ever arrive when the par value of our dollar becomes fixed and the fixed value of that dollar is maintained. Under the heading of "Subsidiary Coins" there is a new provision which permits the Governor in Council to substitute other metals for the metals normally used in silver and nickel coinage should there be a shortage of the metals now so used. In fact, as honourable senators probably know, owing to the demand for nickel for war purposes, the old nickel five-cent piece has been replaced by a steel coin of the same face value; and this amendment would permit the same sort of thing to be done in the future. The provisions with respect to legal tender and the melting of gold coins are in no way different from those contained in the present legislation.

Part II of the bill deals with the Royal Canadian Mint, and contains, I think, nothing new which need detain the house for any length of time, except perhaps two provisions.

One would permit the Governor in Council to establish a branch of the Mint elsewhere than in Ottawa to provide facilities for the melting and assaying of gold. I understand that a branch is being established for that purpose in the city of Vancouver. The other amendment is to provide that the Master of the Mint shall make an annual report to parliament covering the operations of the Mint.

Part III of the bill carries over from the Foreign Exchange Control Act, which is being repealed, the provisions for the Exchange Fund which is held by the Minister of Finance to aid in the control and protection of the external value of the Canadian monetary unit. That fund was started in 1935 with some fifty or sixty million dollars, being the profit upon the revaluation of gold made at that time. At present the fund amounts to about $1,750 million, and we were informed in the committee this morning that it consists of approximately $850 million in gold and about the same amount in United States currency. This is the only part of the Foreign Exchange Control Act which is continued in operation.

Part IV deals with the repeal of the various Acts and parts of Acts, including the Foreign Exchange Control Act, which this bill seeks to replace; it also repeals three sections of the Bank of Canada Act under which the government has had the right to call in all old gold coins of Canada and to pay for them at the former rate of $20 per ounce. As it happens, practically all these gold coins have been called in, so it is not felt necessary to continue these provisions.

That is in brief an explanation of this bill.

Hon. A. N. McLean: Honourable senators, I would like to call the attention of the house to Part III of this bill, under the heading of "Exchange Fund". In committee I registered the objection that I did not think this clause was broad enough. It will be noted that the minister is given power to purchase and acquire with money in the Exchange Fund Account the following: gold; currency of the United States; deposits in currency of the United States; currencies of any country other than Canada or the United States that are freely convertible into gold or United States dollars; and deposits in such currencies held in the name of the minister with the Bank of Canada or any other designated bank; securities of or guaranteed by the Government of Canada. These are the monetary instruments that the minister is given authority to purchase.

You will note that United States dollars, upon which we recently wrote off an $80 million loss, are given top position, whereas sterling is not recognized in any way at all. There was a time, not so long ago, when sterling was the top money of the world. I personally can well remember when sterling was the prime reserve in all the leading national banks. Today British sterling is having a desperate fight to come back, and that sterling shall be restored to its former prestige means, I think, just as much to us in North America as it does to the United Kingdom and other parts of the commonwealth. Some may think that sterling may be "down and out", but I can tell you that there is just as much of the world's trading carried on today in British sterling as is carried on in dollars. Yet, although we are part of the British Empire, instead of lending a hand to sterling at this time of crisis, we choose, so far as this bill goes, to stay on the outside just looking in.

Today British sterling is convertible into the moneys of New Zealand, South Africa, Australia, and many other parts of the Empire. Now it is true that if we were to recognize sterling and place some millions in reserve in the Bank of Canada, and thereby lessen the strain on the pound, such sterling would not be convertible in the United States and several other dollar countries. On the other hand, it would give this country present or future purchasing power in Australia, South Africa, New Zealand and other parts of the sterling area.

It is true that these countries are going through a crisis at the present time, but their resources are beyond imagination and they have a future like ourselves. These countries are going to become great nations. All wealth comes from what is taken from the land and sea, and these countries have vast areas to develop with the brawn and the brain of their people. Their resources are enormous, and in five or ten years we shall look back and wonder why they ever had to go through such a monetary crisis as they are now. I cannot see that we are taking any risk by investing money in the future purchasing power of these countries. In our country there are surpluses of pork, beef, lumber, fish, and so forth, on which we are bound to take a loss in the future. If sterling was recognized by the Bank of Canada and we accepted it for these surplus goods the risk on the sterling would not be nearly so great as the risk of holding our surpluses and selling them at a loss.

Honourable senators, before I sit down I should like to call attention to the Russian situation. Russia is mining an enormous amount of gold, and is not selling it. The Russians are putting the gold behind the

ruble with the idea, I am sure, of establishing the ruble at the top currency of all their satellite states, and Moscow is the final depository for the reserves of these satellite states. There is no doubt at all that the Soviet has studied the history of the British pound over the past century. The Russians are good imitators, and they are endeavouring to raise the prestige of the ruble so as to make it a strong trading unit throughout their sphere of influence—which, of course, is their privilege—just as the British did with with the pound sterling centuries ago. Barter deals with dictator states simply strengthen the ruble because the Russians do not take anything from the free world except what they need. They have little desire to confer mutual benefits on the other nations as far as trade itself goes.

One may find Russian salmon on sale in the stores of Great Britain. The same is true of Australia and other parts of the Empire. This is simply because Russia recognizes the pound sterling and trades in it. We have an enormous surplus of salmon on our Pacific Coast, so why should any part of the British Empire have to buy salmon from a dictator state? This kind of trading is simply building up states behind the Iron Curtain and making the Russian ruble stronger. The free world, of course, needs a dollar of high prestige, but it also needs a strong pound sterling. We in Canada should seize every opportunity to strengthen the British sterling, and if we pass up reasonable opportunities to support the pound we are going to regret it in days to come.

Some Hon. Senators: Hear, hear.

Hon. Norman P. Lambert: Honourable senators, I do not intend to detain the house, but I do think a word of comment should be offered in reply to the observations made by my worthy friend the honourable senator from Southern New Brunswick (Hon. Mr. McLean).

First of all, there is no disposition that I know of on the part of any official of the Bank of Canada, the Department of Finance or the Department of Trade and Commerce to discourage trade with Great Britain under present conditions. Furthermore, I do not believe there is any dearth of the pound sterling in this country should anyone wish to use it. The great difficulty is that Britain herself has been forced by circumstances to reduce to a minimum all imports from countries in the dollar area. This is a decision for Britain alone to make, and I do not think there is anything Canada can do, beyond the innumerable conferences held at London and elsewhere, to try to bring about a closer approximation between the dollar and the pound sterling in relation to trade.

On Wednesday I listened with a great deal of interest to a speech delivered to the Canadian Club of Ottawa by the Right Honourable Mr. Menzies, Prime Minister of Australia. Speaking not as an economist but as a common-sense statesman, he made it quite clear that all this trouble about the relationship of the pound sterling to the dollar is secondary to the question of trade. He said he wished to see a conference called between the members of the British Commonwealth of Nations. In this connection he did not suggest some imaginative solution to bring the units of currency closer together, but he stressed the need for normal trade of goods between one country and another.

The situation which has developed between the United Kingdom, Canada and the United States in connection with the financial and industrial position of Great Britain is directly traceable to the unfortunate and tragic consequences of the war. The United Kingdom, along with countries from the dollar area was a signatory of the United Nations Charter, which provided for multilateral trade through the treaties of the International Trade Organization. These treaties were attested to by the British just as they were by ourselves. But when the Labour government came into power in Britain it immediately adopted a policy of completely isolating itself from contact with the other signatories to the great idea of the International Trade Organization. At the same time Britain adopted a policy in connection with the so-called sterling block—which incidentally represented far more of the world's population than the dollar area—but she did not have the means to start re-establishing her economies in a natural and normal way. Consequently she has been faced with the stupdendous task of working her way out of her unfortunate situation by applying her labour and scientific capacities in the same way that Germany did following World War I. It is true that Germany repudiated her indebtedness and then went to work and reestablished her trade with the world. It seems to me that unless something happens in Britain to bring about a larger production of goods and a greater measure of trade with other countries, the pound sterling will not become any more valuable than it is now, and may become worth a lot less.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Lambert: I cannot but feel that my honourable friend from Southern New Brunswick (Hon. Mr. McLean), with his intimate knowledge of the currency problem and

the international gold situation, is overstressing the importance of currency and exchange in relation to the realities of trade.

Hon. Mr. McLean: Honourable senators, I must say—

The Hon. the Speaker: I would remind the honourable gentleman that he has already spoken in this debate and may not participate in it again.

Hon. Mr. McLean: I wish to ask a question of my honourable friend from Ottawa (Hon. Mr. Lambert).

The Hon. the Speaker: If the honourable gentleman merely wishes to ask a question, he of course may do so.

Hon. Mr. McLean: I should like to ask my honourable friend if world trade does not consist of transactions that are made up of commodities, on the one hand, and a stable currency, if you can get it, on the other hand. And I should like to read to him the record—

The Hon. the Speaker: I am afraid that this is not a question.

Hon. Mr. Lambert: I shall try to answer the question, so far as it went. The answer, stated generally, is that goods really have to be paid for with goods, and that currencies do not matter. Naturally there is a ratio established between goods and currencies, but goods must be paid for with goods.

Hon. John J. Kinley: Honourable senators, while I was listening to the interesting remarks of the senator from Southern New Brunswick (Hon. Mr. McLean) and the reply of the senator from Ottawa (Hon. Mr. Lambert) the thought occurred to me that, after all, money is only a medium of exchange. It is not wealth, but a demand on wealth. The sterling countries can only solve their exchange and financial problems by producing more goods and selling them in the markets to which they are indebted. That is understood in Britain, for she is making a strong effort to close the gap between her imports and exports, and appears to be succeeding quite well.

Many people think that in a country whose currency is depreciated you can buy goods and services cheaper than in a country with a firm currency. However, while travelling in Europe recently I found that prices over there are as high as in Canada, and for some goods even higher, in terms of our own currency.

In dealing with the question of storing American dollars as reserves, we have to remember that the American dollar is a free currency on all the markets of the world, whereas the British pound is a restricted currency. If you go to England as a visitor you can take in only £10 and take out not more than £5. It would hardly be advantageous from the point of view of trade to store up a restricted currency of that kind.

Just at present our currency is worth more than the American currency, but American currency is better known and more widely used abroad. Many Canadians feel that the premium which our dollar enjoys over the American dollar today is the result of a temporary condition brought about by large expenditures of American capital in Canada, and that under normal conditions our dollar will certainly not rank above the American. I do not think there is much risk in having reserves of American dollars.

As stated by the senator from Ottawa (Hon. Mr. Lambert), the whole test of a country's financial position is determined by its balance of trade and services. Until the European countries can sell us sufficient goods to pay for what they need so badly, we shall have a balance of trade against them. I think their position is being improved because of the large expenditures that the United States and Canada are making in Europe for arms and other defence purposes. Indeed, my observation was that there is already a good deal of general prosperity in western Europe. I found that the hotels, restaurants, and places of entertainment were crowded, and the trains and buses seemed to be as well patronized as they are in our country. Agriculture is prospering there. In fact, the whole of western Europe looked almost like a well-kept garden. I am told that the situation in West Germany is especially buoyant, that the level of prosperity there is far above what the people have known for many years. Conditions in Holland, Denmark, Sweden and Norway are good, and in France the trouble seems to be political rather than economic. Britain appears to be carrying the heaviest burden. She is in need of many primary products from abroad, her outlays in the two world wars were tremendous, and her reserves have been depleted, partly as a result of the non-payment to her of moneys that she lent to other countries. Her means of restoration are a greatly enlarged export trade, which is quite competitive, and austerity at home. When she has achieved these things the value of her sterling will rise to its former level.

The high place that the American dollar holds on international markets today is not the cause but the result of what has been happening in the world; and the countries which now have a depreciated currency will

not improve their condition until they produce and sell more and thereby restore a normal balance of trade. In the meantime, Canada has reserves of gold and American dollars.

Hon. J. J. Hayes Doone: Honourable senators, as I understand it, the point which was made by the senator from Southern New Brunswick (Hon. Mr. McLean) was that although the British Commonwealth produces all the commodities necessary to maintain prosperous trade relations among its member countries, it has not a common currency as a medium of exchange. In the United States the situation is different. The forty-eight separate states can exchange their wide variety of products freely among themselves, for they have a common currency. Now, in Russia, which often comes under discussion in this house, there is a conglomeration of states. But they can deal among themselves, by reason of the fact that they have a currency which can be utilized by them for the purchase and sale of their products.

The British Empire has practically everything it needs in a material way, with the exception of cotton and petroleum. When the Empire lost Egypt, it lost cotton; but if Alberta comes through with petroleum, we will have practically all the elements of commerce necessary to world trade. We have wheat, coarse grains, livestock, dairy products, precious metals, base metals, vegetable oils, wool, chemicals, beverages, coal, sugar, rice, rubber, fish, fruit, furs and lumber. The list includes practically everything that man desires for use in a commercial way. The difficulty is, however, that the Empire has no common currency. It was, I believe, the suggestion of the honourable senator from Southern New Brunswick (Hon. Mr. McLean) that sterling should be supported in this country and throughout the British Empire.

Hon. A. K. Hugessen: Honourable senators, I have been much interested in the discussion which has taken place on this bill; and I think I would be disposed to agree with most of the things that honourable senators have had to say. I should like, however, to direct the attention of the house to the fact that the discussion has gone outside the terms of the bill which we are considering.

The bill before us is a measure respecting currency, the Royal Mint and the Exchange Fund. The discussion which has taken place arises out of Part III of the bill, relating to the Exchange Fund which is kept by the Minister of Finance. Both of my honourable friends from the province of New Brunswick (Hon. Mr. McLean and Hon. Mr. Doone) have suggested that the fund which, as I explained, consists partly of gold and partly of United States currency, should be enlarged to include amounts of British currency, with the hope of helping to support the British pound.

Hon. Mr. Doone: May I make just one observation?

Hon. Mr. Hugessen: Certainly.

Hon. Mr. Doone: I made my observations in view of the fact that the legislation is permissive, and not mandatory.

Hon. Mr. Hugessen: I am trying to point out that the Exchange Fund referred to in the bill is not designed for the purpose suggested by my honourable friends. The sole purpose of the fund, as the bill provides, is to aid in the control and protection of the external value of the Canadian monetary unit; and if we wish to protect the Canadian dollar, we have got to have the resources to protect that unit in the kind of money into which it can be exchanged. The only kinds of money into which it can be readily exchanged at par today are the United States dollar or gold.

My honourable friends said a number of things with which I have great sympathy. I agree that it would be advisable for us to do what we can to help support the British pound. We have I think, already done a good deal in that connection by way of grants; but that is a matter for discussion under the heading of trade policy rather than under this particular bill. I simply point out to my friends that wise as their observations may be, and however sound may be their suggestions as to policy, they do not arise under the bill we are now discussing.

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

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, now.

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

BUSINESS OF THE SENATE

ON THE MOTION TO ADJOURN

Hon. Mr. Hugessen: Honourable senators, I move that when the Senate adjourns today it stand adjourned until tomorrow morning at 11 o'clock.

According to the information now before me, it is possible, though I fear not likely, that the session may come to an end tomorrow evening. However, the outcome

depends on what takes place today in the other house. Should there be any possibility of the session terminating, and of Royal Assent taking place tomorrow evening, it is of course the duty of the Senate to stand by to meet the emergency. We shall know, I think, by 11 o'clock tomorrow what the prospects are. If it is then apparent that the session will continue into next week, I shall suggest that we adjourn until some time Monday.

In the meantime, I think it would be wise to adjourn until 11 o'clock tomorrow morning, and I so move.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Saturday, June 28, 1952

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

CANADIAN SHIPS AND SEAMEN

INQUIRY

Hon. Mr. Duff inquired of the government:

1. How many ocean going dry cargo merchant vessels (a) of 4,700 dead weight tons or thereabouts, and (b) 10,000 or over dead weight ton capacity owned in Canada, under Canadian registry are (a) not commanded by Canadian masters and their officers; (b) employed by all or part with non Canadian crews?

2. How many such vessels owned previously in Canada by Crown corporations or otherwise are registered in other countries and do not employ Canadian masters, mates and crews?

3. What was the cost of said ships and their present value?

4. Are there any industries besides shipping, owned in Canada and built up by Canadian taxpayers that are authorized to employ non Canadians, thereby preventing the employment of Canadians at Canadian rates of pay?

5. Is the government aware that members of qualified Canadian masters and other officers who have passed the very strict examinations prepared by the Marine Division of the Department of Transport are forced to serve in positions below those they are qualified for, and some are forced to serve as seamen due to shortage of ships etc?

6. How many times, and what dates, have Canadian coastal laws been suspended or changed to permit the operation of foreign flags or foreign built ships or Canadian owned ships to be registered outside of Canada and in Britain and foreign lands?

7. Are British (not Canadian) and/or German crews still employed on the S.S. *Lumberman*, S.S. *Royal William*, S.S. *Le Grande*, S.S. *Hermane*, S.S. *Lapetite*, S.S. *World Trotter* and S.S. *Malo*, and on what other ships owned by the Canadian government either through one or more Crown corporations or otherwise?

8. Did the so-called Maritime Commission in 1950 or thereabouts agree to the transfer of 123 Canadian registered vessels from Canada to British registry? If not, how many?

9. If said ships were still registered in Canada and employing Canadian crews what amount approximately would be spent in Canadian industry and homes?

10. If so, approximately how much income tax would be received from Canadian officers and seamen and paid into the Canadian treasury each year?

Hon. Mr. Hugessen: The answers to the questions asked by the honourable senator are as follows:

1. According to latest information:

(a) Nil;

(b) Five 10,000 ton ships have other than Canadian masters, officers and crews. Of these five, three were originally loaned to the United Kingdom under "mutual aid", subsequently chartered to the United Kingdom and delivered in the United Kingdom to Canadian purchasers in 1948. They have consequently never carried Canadian crews since they were built and have never operated into Canadian ports. The other two ships have operated away from Canadian waters since 1948. One of them is on bare-boat charter to Italian interests.

2. 4,700 tons deadweight—30 sold to foreign interests. 10,000 tons deadweight—92 on United Kingdom registry under transfer plan, 68 sold to foreign interests.

3. The average cost of a 10,000 ton vessel was $1,700,000 and of a 4,700 ton vessel $1,200,000. The present value is difficult to assess but 10,000 ton vessels have recently been sold for close to $1,000,000 and 4,700 ton vessels for prices ranging from $540,000 to $760,000.

4. The department has no information with respect to the employment of non-Canadians by industries not coming within its jurisdiction.

5. It has been customary for seamen holding higher certificates to serve at sea in lower positions awaiting promotion when vacancies occur in higher positions for which proper certificates of competency may be held. Employment of certificated and other seamen within the provisions of the Canada Shipping Act is chiefly a matter for negotiation between a shipowner as employer and a seaman as employee. To facilitate employment discretion has been exercised under Section 133A of the Canada Shipping Act, 1934, as amended 1948, to enable seamen with inferior qualifications to be employed for a limited period of time in positions requiring higher certificates of competency or until such time as seamen holding proper certificates can be found.

6. The coastal laws have undergone no change nor have they been suspended since the Canada Shipping Act was passed in 1934. The transfer of registry of Canadian owned ships to Britain and foreign lands is not governed by Part XIII of the Canada Shipping Act which deals with the coasting trade of Canada.

Section 665 of the act gives the Governor in Council power to declare that the provisions of Part XIII shall not apply to specified vessels for specified period of time.

Between January 1, 1949, and December 31, 1951, section 665 has been applied for varying periods to 44 various craft, including ships, barges, and scows. In all cases the customs duty called for by the Act has been paid.

7. The Canadian Government owns no ocean going ships through Crown companies or otherwise.

S.S. *Lumberman*, S.S. *La Petite Hermine*, S.S. *La Grande Hermine* and S.S. *St. Malo* have been sold to foreign interests. The other two ships are included in the answer to Question 1, and operate continuously away from Canadian waters.

8. As a result 36 Canadian owned ships were transferred to United Kingdom registry and 58 were permitted to remain on United Kingdom registry as they had been since they were first built. Had this arrangement not been made all these ships would in all probability have had to be laid up owing to the low freight market prevailing at the time. As it was, the transfer plan was extremely helpful to the shipping industry.

9. No information is available on this matter.

10. No information is available on this matter.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, with respect to the business before the House, I am afraid that at the moment I am not in a position to add very much to what I said just prior to the adjournment yesterday afternoon. I am advised that there is still a possibility—though, I must say, rather a faint one—of the session being adjourned tonight; and under these circumstances I am going to ask the Senate to adjourn until three o'clock this afternoon. By that hour we may hope to know definitely whether we can expect to complete our business this evening. If it cannot be concluded by then I will suggest to the Senate that it adjourn until Monday evening at eight o'clock; this will at least enable honourable senators to have a reasonable week-end.

I therefore move that the Senate adjourn during pleasure until three o'clock this afternoon.

The motion was agreed to, and the Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. Hugessen: Honourable senators, since we met this morning the situation has crystallized, and I am sorry to have to report to the house that there has been a new and, I fear, severe attack of loquacity in the other chamber which makes it quite impossible to anticipate prorogation by this evening. I would therefore move that the Senate do now adjourn until 8 o'clock on Monday evening.

May I impress upon honourable senators that all who can possibly attend on Monday evening should be here in order that we shall have a quorum to take up any business which may come before us at that time.

The Senate adjourned until Monday, June 30, at 8 p.m.

THE SENATE

Monday, June 30, 1952

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, I am given to understand that there is not much likelihood of the other place having completed its deliberations on the Redistribution Bill, and the other matters with which it has to deal, before tomorrow evening if, indeed, then.

I therefore move that when the Senate adjourns it stand adjourned until 8 o'clock tomorrow evening.

The motion was agreed to.

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

55708—39½

THE SENATE

Tuesday, July 1, 1952

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

Prayers and routine proceedings.

CONSTITUTIONAL AMENDMENTS—CONSENT OF PROVINCES

QUESTION OF PRIVILEGE

Hon. Arthur Marcotte: Honourable senators, I am rising on a question of privilege, and one that is rather curious in the sense that it is being made at the request of the Prime Minister. On Saturday last I received a letter from the Prime Minister, part of which was written in French and part in English. For the convenience of honourable senators I have had the French part of the letter translated.

The letter commences:

My dear Senator:

My attention has just been called to the fact that the other day in the Senate you, no doubt unwittingly, were guilty of unfairness towards me. You said that the fact that our Constitution was being amended under the power conferred by the amendment to the Constitution enacted in 1949 constituted the violation of a promise made by me to the provincial premiers during the Federal-provincial Conference of January, 1950.

This is not in accord with the facts.

Now, what did I say on that occasion? I have in my hand a copy of *Hansard* of June 17, 1952. I quoted there a statement made by my friend the senator from Ottawa (Hon. Mr. Lambert), for whom, as you know, I have the greatest respect. The statement that I quoted was as follows:

It was strongly represented at that time that the provinces should have been consulted before such action was taken, and this representation was made so forcibly that the Prime Minister gave definite undertakings that the application of the B.N.A. Act (1949) No. 2 would be held in abeyance pending the production by the provinces of a better method of amending the constitution. If honourable senators are interested in reading the statements, I would refer them to pages 46, 49 and 69 of the report of the proceedings of the conference between the provinces and the dominion of January last.

This statement was, as I say, made by the senator from Ottawa; it was not my statement. I did not change one word or comma of it; I quoted it just as it was put by my honourable friend. He is an experienced public man, a shrewd newspaperman, who has been present at dominion-provincial conferences, and so on, and I took his statement to be correct. Indeed, as I said on June 17, I even went to the trouble of corroborating the facts. That statement was made by my honourable friend on the 21st of February, 1951, and for fifteen months it stood unassailed, uncontradicted, and was taken to be right. And in the session of 1951, when we were discussing an amendment to the British North America Act, just two weeks after my honourable friend had made his statement, I commented upon it.

And now in his letter to me the Prime Minister states there were qualifications to the promise that he made. Because the letter is long, I will not read the whole of it, but I ask permission of the house to place on *Hansard* the remainder of the letter, continuing from where I left off.

The remainder of the letter is as follows:

The premiers had said that they regretted that we had caused this amendment of 1949 to be adopted before the conference, and I said that if it might be helpful towards securing an agreement on a general procedure for all future amendments we would not object to having this procedure apply to what was comprised in the 1949 amendment.

As our discussion was carried on in English, I prefer to give you the precise citations in that language. You will find at page 46 of the report of the conference in English, the following:

"Some concern has been expressed as to whether the language used in the 1949 No. 2 Act could not be subject to interpretations which might extend it to things that would not be purely federal; and that if we are going to examine our whole problem it should be examined in such a way as to dispose of that concern.

I do not raise any objection to that. If we are examining the whole field I do not think we would wish to say, 'Well, now, there has been something enacted which is an obstacle to doing now what would contribute to the creation of a feeling of confidence on the part of the Canadian people that we all mean to do the right thing by each other'."

The next day Mr. Frost stated (page 50):

"I may say that yesterday my colleagues and I were very much interested in certain proposals which were advanced by other governments. I felt that the Prime Minister himself contributed immeasurably to the solution of the problem with which we are faced in the statement that he made yesterday relevant to the Act of 1949, and his willingness and the willingness of his government that the subject matter of that Act should be considered here and that it should be subject to the machinery, if I may put it that way, which will come out of the conference."

Other premiers had also alluded to the same matter, among others, Mr. Duplessis, who had asked for more precise clarification. This is what you will find in the report as being what Mr. Duplessis said (page 54):

"Mr. Prime Minister, before the meeting adjourned last evening I understood that this morning you were to tell us exactly the stand of the federal authorities in connection with the recent constitutional amendment of 1949, No. 2. I may have been under a wrong impression; but I think it would be important to know exactly the stand of the government in that regard. Yesterday afternoon, if I understood you correctly, you stated that the federal authorities would be willing to consider examining the whole constitution, including the new amendment."

I then answered (pages 54 and 55), as follows:

"I will not say any decision was arrived at; but I understand the suggestion offered by Mr. Macdonald, for instance, would cover the whole field and would render subsection (1) of 91, enacted by

the 1949 statute, inoperative. What I stated was that we had no objection to the discussion of an over-all procedure being over-all; but what I said this morning was intended to mean that we were not suggesting that we would be prepared, if nothing else was agreed upon, to ask for the repeal of the 1949 statute. It would disappear in an over-all procedure; but it was not intended to be an undertaking to cause it to disappear if there were to be no over-all procedure.

Mr. Frost: Our suggestion was for an over-all procedure."

And I replied:

"That was my understanding; that it was the desire to discuss the possibility of an over-all procedure which would absorb this particular subsection of section 91."

Now, as a matter of fact, no agreement was arrived at about a procedure which would apply to the whole matter and there was no violation of any promise in relying upon the amendment of 1949, nor will there be any violation of any promise in relying upon it in the future so long as no other procedure extending to the whole matter shall have been accepted by everybody and substituted for this amendment of 1949.

Now, what did I say on June 17? I said that if the Prime Minister had made such a promise as he was said to have made, it seemed to me that he had the right to do what we were doing, but that the provinces should at least have been consulted. But I went further than that, and I said something which possibly has escaped the attention of the Prime Minister or of those who are looking after the matter for him. You will find the report of what I said on page 438 of the Senate *Hansard* for June 17:

But I believe I am right in my point of view, that a promise should not be disregarded, especially when an understanding between the Prime Minister and the provincial premiers is involved, unless the requisite conditions have been fulfilled. If the promise has been implemented, well and good; if not, an official statement should be made that we intend to utilize the power we now possess because we are unable to find a better way.

What better way do we look for? An understanding between the Prime Minister and the premiers of the provinces? Such an understanding has not been reached, and the letter before me from the Prime Minister is evidence of that fact. It is the first official statement we have had to that effect.

In his letter the Prime Minister went further. I read from the translation:

As there are still to be sittings of the Senate before the adjournment, I hope you will think it fair to set the matter right and not allow the impression to persist that I have gone back on any undertaking.

Yours very truly,

Louis S. St. Laurent.

I am now doing as the Prime Minister has requested of me. I recently informed the house that I was not in good health and should not be here; but when the Prime Minister calls I deem it my duty to answer that call and to right the wrong. Beyond that, he and I have been friends all our lives, and for that reason I am most anxious to make the record clear.

The Prime Minister has not violated any pledge or failed in any promise. Now that we have his statement of the facts, we are free to do this work in the only way it is possible to do it. I hope that the honourable gentleman will accept my answer in the friendly manner in which I give it. I have every respect for him, and I am sure that he will understand the position that I have taken. There is no doubt that he has a right to do as he has done, or that he has acted in his usual responsible way.

As the Prime Minister wrote to me in French, I desire to conclude my remarks with a few words in that language—*A bon entendeur, salut. Honi soit qui mal y pense.*

Hon. Norman P. Lambert: Honourable senators, I have listened with a great deal of interest and attention to what my honourable friend from Ponteix (Hon. Mr. Marcotte) has just said, and I am personally grateful to him for his statement in this connection.

The Hon. the Speaker: I must warn the honourable senator from Ottawa that a question of privilege is not debatable, and that the honourable senator from Ponteix spoke with leave of the Senate.

Hon. Mr. Lambert: If I may appeal to the Senate: The speech that my honourable friend made in this house some two weeks ago was based on a statement that I made a year and a half ago; therefore, as a matter of privilege I think I am entitled to comment on it.

The Hon. the Speaker: I repeat, a question of privilege is not debatable.

Hon. Mr. Lambert: Honourable senators, I should perhaps have said that I was rising on a point of privilege, and have asked for the consent of the house.

The Hon. the Speaker: With leave of the house the honourable senator may speak.

Hon. Mr. Lambert: The honourable senator from Ponteix, in his remarks of a couple of weeks ago on Bill 331, took as the basis for his observations regarding the undertakings or pledges of the Prime Minister at the Dominion-Provincial conference two years ago, an extract from a speech that I made in the debate on Senate reform a year and a half ago. I must say that I was surprised that he should remove my words from their context, on the question of Senate reform, and apply them to his remarks on the subject of redistribution, which is now being discussed in the other chamber and will come to us in the form of a finished bill.

Apart altogether from the irrelevance of the reference he made to my remarks, my honourable friend entirely ignored the qualifying words which I used, namely, ". . . pending the production by the provinces of a better method of amending the constitution." If those qualifying words mean anything, they mean pending a better method of amending the constitution than that defined in the British North America Act (1949) No. 2, which was the subject of the conference between the dominion and the provinces in 1950.

The answer I would give to my honourable friend is that two years have passed since the Prime Minister made his statement before the Dominion-Provincial conference, and during that time the provinces have made not a single gesture toward a better method of procedure for dealing with the six classes of subjects in the British North America Act which were tabulated for consideration. I submit most emphatically that at no time in my remarks during the debate on Senate reform—or "The Senate and its work", as it was called—did I suggest that the British North America Act (1949) No. 2 should be superseded or withdrawn. The Prime Minister made quite clear to the conference that he did not intend doing any such thing; and in support of that position I would point to the quotation made by my honourable friend from page 55 of the proceedings of the conference. That information will appear on *Hansard,* as my friend has been good enough to file the letter which he received recently from the Prime Minister, and to which he has referred.

The Prime Minister wanted to give the provinces ample time to work out an over-all procedure by which we could amend our own constitution, and for that reason he would not press independent federal action on certain classes of questions; but he never suggested at any time that he would weaken in his purpose to have the British North America Act amended in Canada rather than in the Imperial Parliament in Great Britain.

I heartily support the Prime Minister in that position, and I think it is rather unfortunate that the honourable senator from Ponteix (Hon. Mr. Marcotte) should have raised this whole question on redistribution in the way he did when the fires of an election campaign in a nearby province are burning rather intensely. Whether he did so unwittingly, I do not know, but I should have thought that he was above such things after having served so faithfully in this chamber for over twenty years. I am willing to think that what he did was accidental, but I am quite sure he will grant me the right to take exception or to deprecate the possibility of having innocent and irrelevant statements of mine used as cannon-fodder by young antagonists who at this time are making political war with each other on the other side of the Ottawa River.

Some Hon. Senators: Hear, hear.

ST. LAWRENCE WATERWAYS

DOCUMENTS TABLED

Hon. A. K. Hugessen: Honourable senators, I desire to make a statement on the St. Lawrence Waterways project similar to one that was made by the Prime Minister in the other place this afternoon, and to table, for the information of the Senate, copies of the application of the Government of Canada to the International Joint Commission for an order of approval of the construction of certain works for development of power in the International Rapids section of the St. Lawrence River, which the Prime Minister signed for the Secretary of State for External Affairs and forwarded to the commission yesterday.

I should also like to table copies of notes which, at a meeting that took place in Washington yesterday, were exchanged between the Minister of Transport (Hon. Mr. Chevrier), the Acting Secretary of State of the United States, Mr. Bruce, and the Canadian Ambassador to the United States, Mr. Hume Wrong. The United States Government has also sent to the International Joint Commission an application which was signed by the Acting Secretary of State in Mr. Chevrier's presence yesterday.

I am sure I am expressing the sentiments of the Senate when I say that we commend the Minister of Transport and the officials who have been dealing with this matter for the diligence they have shown in advancing this great project.

These applications request the International Joint Commission to approve the construction, by entities to be designated by the two federal governments, of works for the development of power in the international rapids section of the St. Lawrence River. The works for which approval is requested are set out in Section 8 of the application, and are described in the agreement with the Province of Ontario dated December 3, 1951, which forms the schedule to the International Rapids Development Act passed at the last session of parliament.

As the question of the deep waterway is not being referred to the International Joint Commission in the applications which I have just mentioned, and as the governments of both Canada and the United States have for

many years considered that navigation and power should be developed concurrently in the international rapids section, it was thought advisable to place on record, on an international basis, the nature and extent of Canada's undertaking to provide an uninterrupted waterway between Lake Erie and the port of Montreal. That is the main purpose of the notes which were exchanged yesterday.

The Senate will recall that last September the Prime Minister and President Truman discussed the desirability of proceeding as quickly as possible with both the seaway and power phases of this project.

They agreed that it was desirable to proceed with both phases of the project as a joint undertaking by our two countries, but the Prime Minister informed the President that if this were not possible the Canadian Government was prepared to proceed alone with the construction of the seaway when appropriate arrangements were made for construction of the power phases of the project. The President promised to support this alternative proposal if it was not possible to obtain congressional approval for the joint undertaking at an early date; and, as honourable senators know, it has so far been found impossible to obtain that approval.

While we shall always welcome the co-operation of the United States in undertakings of this sort, which benefit the economies of both our countries, it is fitting that, on the eighty-fifth anniversary of confederation, we should have been able to take this major step toward the accomplishment of a goal which has, for half a century, excited the imagination of so many Canadians. After many years of negotiation and working out of arrangements for co-operation in the joint enterprise with our great neighbour to the south, Canada is now prepared to construct, alone, this deep waterway which will link the ports of the Great Lakes with all the other seaports of the world.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Hugessen: Honourable senators appreciate the position in which this house now finds itself. We have concluded all the business that has so far come before us, and we are now awaiting the remaining legislation from the House of Commons, consisting of the usual Appropriation Bill and the bill for the redistribution of seats in that house. I am unable to forecast when this legislation will come to us, though it is hoped that it may reach us some time tomorrow afternoon. As honourable senators know, the House of Commons has been debating the bill for the redistribution of its seats for the last three days, practically without intermission. How long the debate will continue I am unable to guess. All that I can say at the moment is that for the time being the minds of honourable members of the House of Commons appear to be centred in their seats. In these circumstances, I think it would be better for us to reassemble at the ordinary time tomorrow afternoon.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 2, 1952

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, I am afraid that there is nothing much that I can add to the statement I made when I reported to the Senate last evening. There is no legislation before us that we have not dealt with, and we are still awaiting the Appropriation Bill and the Redistribution Bill, which are to come to us from the other house. It appears that that house has not yet made much progress with the Redistribution Bill. In these circumstances the only suggestion that I can make to honourable senators is that the Senate should adjourn until tomorrow evening at 8 o'clock, and I propose to move to that effect.

To honourable senators who have remained here under rather trying conditions for the purpose of forming a quorum, I want to express my sincere thanks.

Hon. Mr. Howard: Hear, hear.

Hon. Mr. Hugessen: Perhaps I should add my thanks to the honourable gentleman from Wellington (Hon. Mr. Howard) for returning here after the considerable absence which he has enjoyed.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hugessen: Honourable senators, I move that when the Senate adjourns it stand adjourned until 8 o'clock tomorrow evening.

Hon. Mr. Vaillancourt: If the situation is the same tomorrow night, would it be possible for this house to adjourn until, say, Thursday of next week, so that honourable senators who wish to do so may return to their homes and not be detained in Ottawa doing nothing? Should the members of the other house finish their business in the meanwhile, perhaps it would not be out of order for them to wait on us for a change.

Hon. Mr. Horner: Perhaps, in view of what is going on now in Quebec, the honourable gentleman from Kennebec (Hon. Mr. Vaillancourt) should remain in Ottawa.

Hon. Mr. Vaillancourt: That is why I want to leave here.

Hon. Mr. Hugessen: The only undertaking I can give to my honourable friends is that I shall canvass the situation as best I can, and that tomorrow evening, if there does not seem to be any chance of the other house finishing its business by the end of this week, the suggestion of our colleague from Kennebec will receive serious consideration.

The motion was agreed to.

The Senate adjourned until tomorrow at 8 p.m.

THE SENATE

Thursday, July 3, 1952

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

Prayers and routine proceedings.

REPRESENTATION BILL

FIRST READING

A message was received from the House of Commons with Bill 393, an Act to readjust the Representation in the House of Commons.

The bill was read the first time.

SECOND READING

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

Hon. A. K. Hugessen: With leave of the Senate, I move the second reading now.

This bill, honourable senators, was finally passed by the House of Commons at one o'clock today, and under the circumstances it has been impossible this evening to distribute it in its final form to members of this house. I am advised however that on the Table there are sufficient copies available for any honourable senators who wish to examine the bill, and that these copies are in the form in which the bill was passed in the other place, including the changes which were effected in the course of its passage through that house, and the correction of a few minor typographical errors.

This bill, concerning as it does representation in the House of Commons, is perhaps more of a subject for debate in that house than in this chamber; and indeed, as honourable senators are aware, it has been debated very continuously in that house for the last four or five days. Of course from a technical point of view this chamber is at liberty to suggest such changes in the bill as it may see fit. I might say, however, that the bill as it is before us carries out the provisions of section 51 of the British North America Act as that Act was amended earlier in the session. That section requires the Parliament of Canada, after each decennial census, to readjust the representation of members in the House of Commons in accordance with the population, and it lays down the rules by which that readjustment is to be accomplished.

The census figures taken for the year 1951 have made it necessary that some provinces shall lose seats and other provinces shall gain seats. Thus, by the bill now before us, Nova Scotia loses one seat, Quebec gains two, Ontario gains two, Manitoba loses two, and British Columbia gains four. The representation of the other provinces, except Saskatchewan, remains unchanged. Under normal conditions Saskatchewan would lose five seats; but as honourable senators will recall, the amendment of the British North America Act which received the approval of this house some fortnight ago provided that in any decennial redistribution no province shall lose more than 15 per cent of its representation for the previous ten years.

Hon. Mr. King: That is an amendment of the present Act?

Hon. Mr. Hugessen: It was an amendment of the British North America Act which was put through parliament about a fortnight ago. If the census figures were strictly adhered to, the province of Saskatchewan would lose one-quarter of its representation—five seats—but under this amendment it will lose only three seats. In other words, its representation will be reduced from twenty to seventeen.

The amendment to the British North America Act to which I referred also provides that the Yukon and the Northwest Territories, which up to now have been represented by one member, shall be represented separately. Provision is made, therefore, for an additional seat in the House of Commons. Under the bill now before us that house will have 265 seats hereafter as compared with 262 at the present time.

The schedule to the bill sets out in detail the names of the various constituencies in the different provinces, and their geographical boundaries.

I would hope, honourable senators, that this measure will pass through this house more or less as a matter of form, in the traditional way in which in the past we have dealt with measures of this kind coming to us from the House of Commons.

Some Hon. Senators: Hear, hear.

Hon. R. B. Horner: Honourable senators, I have only a few remarks to make on this occasion. The house will recall that some time around March of this year I voiced the hope that Saskatchewan would not be dealt with strictly on a population basis when this matter of redistribution came up. I was hopeful that the reduction in the number of seats for Saskatchewan would not be too drastic, and I agreed with those who held that Saskatchewan should not lose seats in the House of Commons because of too strict an adherence to the rule of representation by population. I must say that I am very

pleased that the government saw fit to propose a reduction of three seats for Saskatchewan instead of five; at the same time I realize what a difficult problem this created in rearranging the constituencies in Saskatchewan.

I have no objection to the new constituency for the Mackenzie district. It is being created because of the immense potential value of that great area and not for any reason of population. This is somewhat different from the situation in the Yukon, where I understand the territory is settled only in a few localities.

An important province like Saskatchewan, with its immense area and sparse population, should be treated with as much consideration as possible. I do not need to remind honourable members of the fact that Saskatchewan is creating wealth of untold value that flows into the general stream of the development of Canada. We all know the main causes of our loss of population in that province. In addition to our young men and women who enlisted in the war, large numbers were attracted to war industries in Quebec and Ontario. And of course for a long time now there has been a growing trend towards the use of large machines, huge combines, on the farm, and this equipment has made it possible for one man to operate a farm which formerly would have kept a number of men busy. As a result of irrigation, and the considerable development in mining and in oil and gas wells which now seems assured in the north, the trend to over-large farms may possibly be halted. I think our province generally will be in a healthier position if this happens. After all, the backbone of the nation is a secure farm home, where enough can be produced to raise a family in comfort; and I have no doubt that there is room for a very large increase in Saskatchewan's population on that basis.

The bill before us reminds me of a book that I read with interest long before I ever thought of entering this chamber—a book which no doubt many honourable senators have read. It was entitled "Getting into Parliament and After," and was written by George W. Ross, who himself later became a senator. He was teaching school in Ontario for a salary of $250 or $300 a year when he got the idea of contesting a seat in the House of Commons. It is perhaps fair to say that the greatest row that this country ever had about redistribution was when Sir John Macdonald was accused of "hiving the Grits." In his book Mr. Ross tells how he afterwards learned that, prior to the election campaign in which the famous row broke out, his opponent in a central Ontario constituency interviewed Sir John and begged him to take a few townships off one side of the constituency and add a few on the other side; but Sir John's reply to this suggestion was: "You can take a few townships off here and add a few there, but that little devil Ross will beat you, anyway, so we might just as well leave the constituency as it is."

As stated by the acting leader (Hon. Mr. Hugessen), redistribution is a matter that does not concern the Senate as much as it does the House of Commons. However, we perhaps should be concerned to see that the constituencies are arranged for the convenience of the public, and not for any candidates in particular. I have not studied the schedules in detail. So far as my own local town is concerned, all I can say is that we have been in the constituency of Prince Albert, and in Battleford, and back in Prince Albert, until it has become difficult to know where our people should vote. The main consideration when a redistribution bill is being drafted should be the convenience of the voters in all constituencies. In so far as this bill fails in that respect, the government will be taking the responsibility for the failure.

Honourable senators, these are all the remarks I wish to make at this time.

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

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, now.

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

SENATOR'S ATTENDANCE

PRIVILEGE

Hon. Mr. Duffus: Honourable senators, on a question of privilege: while it is against my disposition to find fault, and I believe it can be said that during the past number of years I have been about as regularly in attendance at this house as anyone, I wish to warn the deputy leader of the government (Hon. Mr. Hugessen) and all other honourable members that I shall have to be home on the Twelfth of July to participate in celebrations there.

Some Hon. Senators: Oh, oh.

Hon. Mr. Duffus: I have been wondering if it would not be a good thing to send the other house a reminder to that effect.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, the latest information at my disposal with reference to the progress of business in the other place leads me to believe—and I am sure the circumstance will give a great deal of satisfaction to my honourable friend from Peterborough West (Hon. Mr. Duffus)—that we should be able to conclude the business of this session some time tomorrow. The only bill which we expect to come before us is the Appropriation Bill, which will pass the other place after the members there have concluded their detailed consideration of the estimates. I am advised that, while there is still a very considerable volume of estimates to be considered in the House of Commons, good progress is being made and it is expected that that house will meet at 10 o'clock tomorrow morning in an endeavour to finish up its work during the forenoon. So it may be—and it is our hope—that the Appropriation Bill will reach us before lunch time. Of course we have had many hopes of this kind in the last few days, and I cannot make anything in the nature of a promise.

Under the circumstances, perhaps it would be advisable for me to move that the Senate do now adjourn, to meet tomorrow morning at the call of the bell, and without specifying any particular time. I know that honourable senators, whose devotion to duty has been very visible during the last few days, will be in the building tomorrow morning. If we find that we can meet at 11 o'clock, or perhaps at 12 o'clock, the bell will be rung, and we can then proceed with the remainder of our business.

Hon. Mr. King: Would it not be well to state, "after eleven"?

Hon. Mr. Hugessen: Well, as the members in the other place will meet at 10 o'clock, it is conceivable, that they might get through before 11 o'clock. I do not anticipate, however, that the bell will be rung before eleven.

Hon. Mr. Paterson: Is the other house meeting tonight?

Hon. Mr. Hugessen: Yes; and as I said, I understand they will meet at 10 o'clock tomorrow morning in an endeavour to complete their business. My honourable friend from Ottawa (Hon. Mr. Lambert) suggests that we meet definitely at 11 o'clock. Is that convenient to honourable senators?

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: I move that when the Senate adjourns it stand adjourned until 11 o'clock tomorrow morning.

The motion was agreed to.

The Senate adjourned until tomorrow at 11 a.m.

55708—40½

THE SENATE

Friday, July 4, 1952

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Hugessen: Honourable senators, the latest information which I have been able to obtain is that the House of Commons is continuing its consideration of the estimates, in the hope of being able to complete them early this afternoon and put through the necessary Appropriation Bill, which will then come before us. The members in the other place have been sitting since 10 o'clock this morning, and they have agreed to carry on their discussions through the lunch hour in an attempt to conclude their business.

Under these circumstances, perhaps the best suggestion I can make to the house is that we should now adjourn during pleasure to reassemble at the call of the bell, in the hope and expectation that we shall be called between 2 and 3 o'clock this afternoon, although of course I am unable to give any guarantee to that effect. I would ask honourable senators to be kind enough to remain in the immediate neighbourhood of this building so that they will be able to hear the bell when it summons us to reassemble.

I move that the Senate adjourn during pleasure, to reassemble at the call of the bell.

The motion was agreed to.

The Senate adjourned during pleasure.

The sitting was resumed.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Secretary to the Governor General acquainting him that the Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber today at 4.45 p.m., for the purpose of giving Royal Assent to certain bills.

APPROPRIATION BILL No. 4

FIRST READING

A message was received from the House of Commons with Bill 394, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1953.

The bill was read the first time.

SECOND READING

Hon. A. K. Hugessen moved the second reading of the bill.

He said: Honourable senators, this is the financial bill which comes to us at the end of each session, and although it was passed by the other place only a few minutes ago, copies are available on the Table for any honourable senator who desires to examine the bill.

I should explain that this is the fourth Appropriation Bill which this house has been called upon to pass this session, and it is the third which provides for moneys necessary to meet the expenses of the public service of the financial year ending March 31, 1953. The bill, of course, is based upon the estimates for the current financial year, which have been in the hands of the members of this house for some months now, and which have been the subject of considerable and detailed discussion and investigation by the Finance Committee of this chamber. Honourable senators will therefore be aware of their general purport.

The total asked for by the present bill is $2,446,317,110.60. This amount is made up of the balance of $2,363,584,922.60 of the main estimates which remains unappropriated at the present time, together with an additional amount of $82,732,188 provided in the supplementary estimates which were tabled in the other place on June 23rd, copies of which were received by all honourable senators some few days ago.

The bill is in the same form as similar bills in the past, except for the following deletions from section 4 of the bill:

First of all authority for the Governor in Council to pay and redeem treasury bills and deposit certificates. That authority is not now necessary under this bill, because it is given by section 43 of the Financial Administration Act.

The second change is the deletion of the reference to a loan being a charge upon and payable out of the Consolidated Revenue Fund. That also is now covered under the Financial Administration Act, and there is no need to have that reference appearing in this bill.

I will now explain the bill in very short detail.

Section 1 is the short title.

Section 2 provides for the balance of the main estimates, after deducting the amounts

already voted under Appropriation Acts No. 1 and No. 3, which were submitted to and passed by this body earlier in the session. This balance amounts to slightly more than $2 billion, the figure which I have already given. Details of the main estimates and their items are set out in schedule A attached to the bill.

Section 3 provides for the supplementary estimates, in the total of slightly more than $82 million, to which I referred a moment ago.

Section 4 confers upon the Governor in Council the usual authority to raise from time to time during the year by way of loan sums not exceeding $500 million which may be required for public works and general purposes.

Section 5 provides that expenditures incurred under the authority of this bill shall be reported in the public accounts in the usual manner.

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

THIRD READING

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

Hon. Mr. Hugessen: With leave of the Senate, I move the third reading now.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, a Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Irene Mary Johnson Muirhead.

An Act for the relief of Vera Kathleen Martin Lightfoot.

An Act for the relief of Albert Chevalier.

An Act for the relief of Roland Lesage.

An Act for the relief of Joseph Timothy O'Connor.

An Act for the relief of Victoria Elias Abdelhay.

An Act for the relief of Margaret Edith Grace Batt Trent.

An Act for the relief of Pearl Abramovitch Hoffman.

An Act for the relief of Lily Sperling Kofsky.

An Act for the relief of Jean Isobel Taylor Cuffling.

An Act for the relief of Charles William Ledger.

An Act for the relief of Benjamin Gordon Church.

An Act for the relief of Laura Juliette Aubert Macdonald.

An Act for the relief of Jean Lesly Macfarlane Cameron.

An Act for the relief of Sarto Desnoyers.

An Act for the relief of Jean Marc Duckett Audet.

An Act for the relief of Eugene Cote.

An Act for the relief of Anna Lapinska Cholewicki.

An Act for the relief of Alexander William Hyndman.

An Act for the relief of Vivian Mary Dickson Stewart.

An Act for the relief of Stanley Baker Smith.

An Act for the relief of Rebekah Ellinor Conley Burman.

An Act for the relief of Allan Gowans.

An Act for the relief of Marie Jacqueline Michelle Major Valiquette.

An Act for the relief of May Clara Taylor Di Biasio.

An Act for the relief of Regina Joan Lee Mills.

An Act for the relief of Violette Chartrand Fairon.

An Act for the relief of Doreen Elizabeth Lawton Batty.

An Act for the relief of Norma Meldrum Drysdale McGowan.

An Act for the relief of Jean Elizabeth Wood Jackson.

An Act for the relief of Louisa Ryan Heke.

An Act for the relief of Maurice Speyer.

An Act for the relief of Lorraine Souillet Heaven.

An Act for the relief of Charlotte Elizabeth Johnston Rawson.

An Act for the relief of Eleanor Luba Hirschfield Mott.

An Act for the relief of Marguerite Anne Sweeting Russell.

An Act for the relief of Amy Stirling Price.

An Act for the relief of Jean Irene Ross Roche.

An Act for the relief of Regina Landry Brouillard.

An Act for the relief of Jean Paul Malo.

An Act for the relief of Robert Arthur Reeve.

An Act for the relief of Joyce Mary Barton Vallis.

An Act for the relief of Lawrence Edward James.

An Act for the relief of Helene Mary Reusing Hutchins.

An Act for the relief of Charles Lewis Lipton.

An Act for the relief of Joseph Kovacs.

An Act for the relief of Ann Martha Treglown Goodfellow.

An Act for the relief of Meryl Elman Kluger Schreiber.

An Act for the relief of Janusz Juljan Borzecki.

An Act for the relief of Perley John Walden.

An Act for the relief of Louis Jules Fabry.

An Act for the relief of Kathleen Anne Bentley Hainsworth.

An Act for the relief of Ethel McCready Thomas.

An Act for the relief of Lois Edith Laffoley Kelly.

An Act for the relief of Evelyn Helen Cowell Varrin.

An Act for the relief of Marion Helen Hawes Gordon.

An Act for the relief of Winnifred Isobel Bassett Yuill.

An Act for the relief of Eileen May Walker Cole.

An Act for the relief of Frank Ashworth.

An Act for the relief of Margaret Galbraith Hardie McCall.

An Act for the relief of Goldie Natovitch Molson.

An Act for the relief of Norma Veronica Besner Roast.

An Act for the relief of Catherine Anna Regan Herdt.

An Act for the relief of Errol Alexander Edgley.

An Act for the relief of Marie Marguerite Eugenie Lucie Prevost Lalonde.

An Act for the relief of Myrtle Meloche Reath.

An Act for the relief of Eileen Margaret Smith Bates.

An Act for the relief of Selim Jean Malakie, otherwise known as Solomon Malacket.

An Act for the relief of Ruby Lydia Donnelly Champion.

An Act for the relief of Edna Edith Lily Caron Gourdie.

An Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

An Act to incorporate the Belleville Harbour Commissioners.

An Act to amend the Unemployment Insurance Act, 1940.

An Act respecting the Northwest Territories.

An Act to amend the International Boundary Waters Treaty Act.

An Act to revise the capital structure of the Canadian National Railway Company and to provide for certain other financial matters.

An Act to amend the Canada Grain Act.

An Act respecting Immigration.

An Act respecting Allowances for War Veterans and their Dependents.

An Act to amend the Veterans Benefit Act, 1951.

An Act to amend the Veterans Insurance Act.

An Act to amend the Pension Act.

An Act to amend the Civilian War Pensions and Allowances Act.

An Act to amend the Army Benevolent Fund Act, 1947.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1952, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

An Act to authorize the Government of Canada to enter into Agreements with the Governments of the Provinces pursuant to which, in return for compensation, the Provinces agree to refrain from levying certain taxes for a limited period.

An Act respecting Marine and Aviation War Risks Insurance and Reinsurance Agreements.

An Act respecting Currency, the Royal Canadian Mint and the Exchange Fund.

An Act to provide Retiring Allowances, on a contributory basis, to persons who have served as Members of the House of Commons of Canada.

An Act to amend the Eastern Rocky Mountain Forest Conservation Act.

An Act to incorporate Ogdensburg Bridge Authority.

An Act to incorporate the Canadian Shipowners Mutual Assurance Association.

An Act to amend the Combines Investigation Act and the Criminal Code.

An Act to readjust the Representation in the House of Commons.

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1953.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Thursday, November 20, 1952, at 11 a.m.

THE SENATE

Thursday, November 20, 1952

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PROROGATION OF PARLIAMENT

The Hon. the Speaker informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 11.30 a.m., for the purpose of proroguing the present session of Parliament.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

The Right Honourable Thibaudeau Rinfret, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to close the Sixth Session of the Twenty-First Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

During the session which is now concluding the quest for security for our nation and the establishment of genuinely peaceful conditions remained the principal concern of my government.

In the Far East our Canadian forces have continued to co-operate with the forces of the United Nations to resist aggression in Korea.

In Europe a formation from the Canadian army is now part of the integrated force of the North Atlantic alliance and the build-up of the Royal Canadian Air Force overseas is continuing. Defence production for our own forces and for those of our allies is steadily increasing.

You have approved a further contribution to the Colombo Plan for Co-operative Economic Development in South and Southeast Asia and you have also authorized a contribution to the United Nations program for technical assistance to underdeveloped countries.

Legislation has been passed to provide for carrying into effect the Treaty of Peace between Canada and Japan, and full diplomatic relations have been resumed between our two countries.

A War Claims Commission to inquire into and report upon claims made by Canadians arising out of the last war has been established.

Provision has been made for the immediate payment of awards to certain veterans and other Canadians for maltreatment suffered in Japanese and certain German internment camps.

To meet the outbreak of foot and mouth disease among cattle in the province of Saskatchewan, you enacted a measure for the control and extirpation of the disease and for the compensation of owners of destroyed animals.

Canada is now free of the scourge and my government is sparing no efforts to bring about the resumption of normal exports of livestock and meat within a reasonable period.

Provision has been made for the development of the industrial and scientific uses of atomic energy through a new crown company known as Atomic Energy of Canada, Limited.

You have approved legislation to enable the Canadian National Railways to construct a branch line between Terrace and Kitimat in British Columbia to assist in the industrial development of that province.

The War Veterans Allowance Act, 1946, has been revised to increase allowances and permissible income. The date of the expiration of the Veterans Benefit Act, 1951, has been extended and benefits under the Veterans Insurance Act and the Pension Act have been increased.

You have approved a bill to authorize the federal government to enter into new tax rental agreements with the provinces and agreements thereunder have been made with the governments of nine provinces.

The British North America Act has been amended for the first time in Canada. The amendment altered the rules for the readjustment of representation in the House of Commons and a measure providing for the readjustment under the new rules has also been enacted.

You have given legislative effect to the recommendation by the Royal Commission on National Development in the Arts, Letters and Sciences for the establishment of a National Library.

You have approved a program to enable Canadian scholars, selected by the Royal Society of Canada, to continue their education abroad.

The Unemployment Insurance Act has been amended to reduce the waiting period and to provide for increases in benefits payable.

You have approved amendments to the Combines Investigation Act and the Criminal Code to give effect to recommendations of the MacQuarrie Committee on Combines legislation.

The Immigration Act has been completely revised.

Legislation respecting the currency, mint and exchange fund has been consolidated in one statute.

You enacted measures respecting the revision of the capital structure of the Canadian National Railways, the zoning of airports and the Marine and Aviation War Risks Insurance and Reinsurance Agreements. Your approval was given to a convention for the promotion of safety on the Great Lakes.

Amendments have been made to the Canada Grain Act; the Cold Storage Act; the Canadian Farm Loan Act; the Northwest Territories Act; the Government Employees Compensation Act, 1947; and the International Boundary Waters Treaty Act.

Members of the House of Commons:

I thank you for the provision you have made for all essential services, as well as for our national defence and the meeting of our obligatious under the United Nations charter and the North Atlantic treaty.

During the present session, in addition to income and other tax adjustments, it was found possible to remove certain commodity taxes entirely and to make substantial reductions in taxes on other commodities.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country and the efforts of peace-loving peoples to maintain the rule of law among nations.

INDEX TO DEBATES OF THE SENATE

SIXTH SESSION, TWENTY-FIRST PARLIAMENT, 1952

Abbreviations:—1r, 2r, 3r,=First, second and third reading. Com=Committee. Div=Division. M=Motion. Ref=Referred. Rep=Report.

Agriculture, 61, 74, 84
Canadian Farm Loan bill, 327, 367
Canada Grain Act, 510
Dairy industry, 9, 15, 157, 175, 191, 200
Foot and Mouth Disease, 11, 15, 22, 34, 63, 88, 121, 220, 221, 324
New Brunswick potato growers, 188
Wheat, 120, 324, 398

Aseltine, Hon. W. M.
Canada-France Income Tax Convention bill, 408
Canadian Farm Loan bill, 369
Cold Storage bill, 436
Deceased senators, 16
Divorce
Extension of time for receiving petitions, 345
Petitions withdrawn, 156
Printing of evidence, 108
Report of committee, 460
Statistics, 1952, and final report of committee, 499
Dominion Succession Duty bill, 336, 339, 340, 418
Foot and Mouth Disease bill, 27
Her Majesty Queen Elizabeth II, address of sympathy and loyalty, 5
Her Majesty the Queen Mother, message of condolence, 5
Income Tax bill, 377
National Library bill, 348
Northwest territories bill, 481
Senate committees, 81
Victoria Day bill, 169

Aviation
Aeronautics bill, 391, 416
Commercial Air Service in Canada, 277-280
Marine and Aviation War Risks bill, 521, 573

Aylesworth, the late Hon. Sir Allen B., P.C., K.C.M.G.
Tributes to his memory, 9, 16, 33

Baird, Hon. A. B.
Canada Dairy Products bill, 177
Deceased senators, 152
Tourist traffic, 150

Barbour, Hon. George H.
Canada Dairy Products bill, 183
Income Tax bill, 414
Telephone Companies, 414

Basha, Hon. Michael G.
Deceased senators, 152

Beaubien, Hon. A. L.
British North America Acts Amendment (Readjustment of Representation in Commons) bill, 431
Canada Dairy Products bill, 223
Canadian National Railways Capital Revision bill, 475
Senate committees—additions to membership, 82, 87, 102, 162, 198
Victoria Day bill, 172

Beauregard, Hon. Elie (Speaker)
Consumer Credit (Temporary Provisions) Act—letter from Governor General's secretary, 402
Distinguished American visitors—guests of Senate, 158
Emergency Powers Act—letter from Governor General's secretary, 402
Government property traffic bill, 420
Joint Committees on Library, Printing and Restaurant, 66
King George VI, the late—messages of thanks for sympathy and condolence from Her Majesty Queen Elizabeth II and Her Majesty the Queen Mother, 206
Parliament
Adjournment of, 592
Opening of, 1
Royal Assent, 28, 329, 442, 590
Procedure, 68, 204, 218, 357, 429, 430, 521
Question of privilege
Constitutional amendments—consent of provinces, 583
New Brunswick Potato Growers, 188, 189
Speech from the Throne, address in reply—message of thanks from His Excellency, 154

Bills (Divorce)
1r, 46, 58, 69, 77, 101, 116, 123, 140, 151, 154, 161, 185, 197, 269, 280, 301, 321, 345, 358, 402, 421, 442, 462
2r, 49, 69, 83, 89, 117, 123, 139, 143, 151, 156, 163, 197, 204, 281, 288, 309, 342, 370, 373, 415, 421, 442, 462
3r, 49, 69, 83, 89, 118, 123, 140, 143, 151, 156, 189, 200, 206, 283, 289, 322, 342, 370, 373, 415, 421, 442, 462

Bills (Private) re:—
Board of Elders of the Canadian District of the Moravian Church of America (Hon. J. W. Stambaugh). 1r, 123; 2r, 142; ref to com, 143; rep of com-3r, 156; refund of fees, 162
Boundary Pipeline Corporation (Hon. Mr. Wood). 1r, 45; 2r, 55; ref to com, 56; rep of com, 86; 3r, 102
British Northwestern Fire Insurance Company (Hon. Mr. Campbell). 1r, 33; 2r, 45; ref to com, 46; rep of com-3r, 86
Burrard Inlet Tunnel and Bridge Company (Hon. Mr. McKeen). 1r, 154; 2r, 163; ref to com, 164; rep of com, 217; 3r, 269
Canadian Shipowners Mutual Assurance Association (Hon. Mr. Fogo). 1r, 385; 2r, 404; ref to com, 406; rep of com-3r, 460
Economical Mutual Fire Insurance Company (Hon. Mr. Euler). 1r, 158; 2r-ref to com, 184; rep of com, 269; 3r, 277
Equitable Insurance Company (Hon. Mr. Vaillancourt). 1r, 162; 2r-ref to com, 190; rep of com, 289; com amendment concurred in—3r, 301
Garrett Corporation Patent Application (Hon. Mr. Fogo). 1r, 162; 2r, 190; ref to com, 191; rep of com, 217; 3r, 269
Great Eastern Insurance Company (Hon. Mr. Dupuis). 1r, 154; 2r, 165; ref to com, 166; rep of com, 269; 3r, 277
Gulf Pulp and Paper Company (Hon. Mr. Vaillancourt). 1r, 49; 2r-ref to com, 57; rep of com, 86; com amendment concurred in, 102; 3r, 117
Hotel Mutual Insurance Company (Hon. Mr. Stambaugh). 1r, 154; 2r, 156; ref to com, 157; rep of com, 186; 3r, 207
National Dental Examining Board of Canada (Hon. Mr. Fogo). 1r, 217; 2r, 284; ref to com, 288; rep of com-3r, 328
Ogdensburg Bridge Authority (Hon. Mr. Hardy). 1r, 416; suspension of rule, 423; 2r, 424; ref to com, 425; rep of com-3r, 461
Perth Mutual Fire Insurance Company (Hon. Mr. Euler). 1r, 45; 2r, 56; ref to com, 57; rep of com, 101; 3r, 117

Bills (Private)—*Con.*
Royal Canadian Academy of Arts (Hon. Mr. Roebuck). 1r, 77; 2r, 103; ref to com, 105; rep of com-3r, 141; refund of fees, 156
Sisters of Charity of the House of Providence (Hon. Mr. Duffus). 1r, 162; 2r-ref to com, 190; rep of com, 217; 3r, 269; refund of fees, 289

Bills (Public) re:
Aeronautics. 1r, 358; 2r, 391; ref to com, 395; rep of com-3r, 416
Appropriation
No. 1. 1-2r, 121; 3r, 122
No. 2. 1-2r, 128; 3r, 139, 142
No. 3. 1-2r, 341; 3r, 342
No. 4. 1-2r, 590; 3r, 591
Army Benevolent Fund. 1r, 495; 2r, 512; 3r, 523
Belleville Harbour Commissioners. 1r, 433; 2r-ref to com, 457; rep of com-3r, 461
British North America Acts Amendment (Readjustment of Representation in Commons). 1r, 420; 2r, 423; 3r, 437
Canada Dairy Products. 1r, 9; question of privilege, 15; 2r, 157, 175, 191, 200, 216, 219; ref to com, 225; rep of com, 329, 359; 3r, 360
Canada Elections. 1r, 327; 2r, 351; ref to com, 352; rep of com-3r, 372
Canada-France Income Tax Convention. 1r, 358; 2r, 396; ref to com, 400; rep of com-3r, 407
Canada Grain Act. 1r, 495; 2r, 510; ref to com, 511; rep of com-3r, 522
Canadian Farm Loans. 1r, 327; 2r, 367; ref to com, 370; rep of com-3r, 385
Canadian Forces. 1r, 301; 2r, 309; ref to com, 310; rep of com-3r, 327
Canadian National Railways Capital Revision. 1r, 453; 2r, 464; ref to com, 477; printing of com proceedings, 479; rep of com, 484; M for 3r postponed, 484; 3r, 487, 497, 505
Canadian National Railways Financing and Guarantee. 1r, 496; 2r, 513; ref to com, 516; rep of com, 529; 3r, 530
Canadian National Railway (Terrace to Kitimat). 1r, 277; 2r, 289; ref to com, 298; rep of com, 327; 3r, 329, 353, 359
Civilian War Pensions and Allowances. 1r, 494; 2r, 509; 3r, 523
Cold Storage. 1r-M for 2r, 423; 2r, 435; ref to com, 437; rep of com-3r, 442
Combines Investigation Act and Criminal Code. 1r, 423; 2r, 435, 442; ref to com, 451, rep of com, 529; com amendments concurred in, 571; 3r, 573

Bills (Public)—*Con.*
Criminal Code. 1r, 198; notice of 2r, 198; distribution of copies, 206; 2r, 207, 217, 269; ref to com, 275; com meeting, 288; rep of com, 289, 479
Criminal Code (Race Meetings). 1r, 345; 2r, 370; ref to com, 371; rep of com-3r, 372
Currency, Mint and Exchange. Subject matter referred to committee, 502; 1r, 529; 2r, 573; 3r, 577
Customs Tariff. 1r, 311; 2r, 345; ref to com, 347; rep of com-3r, 415
Dominion Succession Duty. 1r, 311; 2r, 334; ref to com, 341; rep of com, 415; com amendments concurred in, 416; 3r, 419
Eastern Rocky Mountain Conservation. 1r, 461; 2r, 484; ref to com, 487; rep of com, 495; 3r, 496
Emergency Gold Mining Assistance. 1r, 358; 2r, 395; ref to com, 396; rep of com-3r, 402
Excise. 1r, 311; 2r, 332; 3r, 358
Excise Tax. 1r, 327; 2r, 329; 3r, 358
Export and Import Permits, 1r, 30; 2r, 45, 55, 64; ref to com, 65; rep of com, 101; 3r, 117
Food and Drugs. 1r, 373; 2r, 402; ref to com, 404
Foot and Mouth Disease. 1r, 15; 2r, 22; ref to com, 28; rep of com-3r, 28
Government Employees Compensation. 1r, 282; 2r, 301; 3r, 309
Government Property Traffic. 1r, 372; 2r, 386; 3r, 387; Commons amendments, 420; concurred in, 435
Immigration. Subject matter referred to committee, 479, 484; 1r, 495; 2r, 511; ref to com, 512; rep of com-3r, 521
Income Tax. 1r, 327; 2r, 373, 387; ref to com, 390; rep of com, 409; 3r, 414
Industrial Development Bank. 1r, 275; 2r, 277; ref to com, 280; rep of com-3r, 327
International Boundary Waters Treaty. 1r, 433; 2r, 438; ref to com, 441; rep of com-3r, 501
Interpretation. 1r, 154; 2r, 165; 3r, 175
Marine and Aviation War Risks. Subject matter referred to committee, 502; 1r, 521; 2-3r, 573
Members of Parliament Retiring Allowances. 1-2r, 560; 3r, 561
National Library. 1r, 327; 2r, 347; 3r, 358
National Railways Auditors. 1r, 186; 2r, 203; 3r, 206
New Westminster Harbour Commissioners. 1r, 277; 2r, 298; ref to com, 300; rep of com-3r, 311
Northwest Territories. 1r, 460; 2r, 479; ref to com, 483; rep of com-3r, 496
Pension. 1r, 494; 2r, 509; 3r, 523
Prisons and Reformatories. 1r, 77; 2r, 102; 3r, 103

Bills (Public)—*Con.*
Railways (pro forma). 1r, 2
Representation. 1-2r, 587; 3r, 588
Supreme Court. 1r, 154; 2r, 164; 3r, 175
Tariff Board. 1r, 329; 2r, 352; 3r, 358
Tax Rental Agreements. 1r, 495; 2r, 517, 523; 3r, 529; appendix, 558
Trade Marks. 1r, 416; 2r, 433; ref to com, 435
Treaty of Peace (Japan). 1r, 433; 2r, 453; ref to com, 457; rep of com-3r, 479
Unemployment Insurance. 1r, 459; 2r, 477; ref to com, 478; rep of com, 484; 3r, 497
Veterans Benefit. 1r, 494; 2r, 508; 3r, 523
Veterans Insurance. 1r, 494; 2r, 509; 3r, 523
Victoria Day. 1r, 154; 2r, 166; 3r, 175
War Veterans Allowance. 1r, 494; 2r, 494, 508; 3r, 508, 522

Birth control, 10, 70, 89, 98, 106, 108, 118

Bouffard, Hon. P. H.
Address of sympathy and loyalty to Her Majesty Queen Elizabeth II, and message of condolence to Her Majesty the Queen Mother, 6
British Northwestern Fire Insurance Company bill, 86
Gulf Pulp and Paper Company bill, 86
Royal Canadian Academy of Arts bill, 141
Victoria Day bill, 170

Bourque, the late Hon. T. J.
Tributes to his memory, 9, 16, 33

Bradley, Hon. F. G., P.C. (Secretary of State)
Trade Marks bill, 433

British North America Acts Amendment
Readjustment of Representation in Commons bill, 425-432, 437, 582
Representation bill, 587

Buchanan, Hon. W. A.
Canada Dairy Products bill, 184
Deceased senators, 19

Burchill, Hon. G. P.
Address in reply to the Speech from the Throne, 124
Government taxation and surpluses, 126
Governor General, first Canadian appointee, 124
New Brunswick
Dairy industry, 127; electric power development, 124; lumber industry, 125
St. Lawrence waterway, 124
British North America Acts Amendment (Readjustment of Representation in Commons) bill, 428, 429
Civilian War Pensions and Allowances bill, 509

Burchill, Hon. G. P.—*Con.*
Combines Investigation Act and Criminal Code bill, 571
Estimates—report of Finance Committee, 570; MacQuarrie report, 571
Income Tax bill, 381, 387, 411
International Boundary Waters Treaty bill, 440
New Brunswick Telephone Company—taxes, 388, 411
Pension bill, 509
Veterans Benefit bill, 508
Veterans Insurance bill, 509
War Veterans Allowance bill, 508

Burke, Hon. Vincent P.
Deceased senators, 152

Campbell, Hon. G. P.
British Northwestern Fire Insurance Company bill, 33, 45

Canadian Broadcasting Corporation, 14, 49

Canadian Curling Championship, 30

Ceylon
Prime Minister of, the late Right Hon. Don Stephen Senanayake, expression of sympathy, 82

Civil Service, 566, 570, 571
Superannuation Fund, 128-130, 132, 135, 139, 142

Combines
Investigation Act and Criminal Code bill, 423, 435, 442, 451, 529, 571, 573

Commonwealth of Nations, 13, 94, 574-577

Communism, 38, 40, 111, 144, 147, 148, 505, 524, 562, 567

Confederation, 175-184, 191-197, 427, 431

Consumer Credit (Temporary Provisions) Act
Address to His Excellency the Governor General, 303, 322, 402

Controls, 303-309, 322, 323-326

Cost of Living, 62, 303-309

Crerar, Hon. T. A., P.C.
Appropriation bill No. 2, 134
Aeronautics bill, 394
Canada Dairy Products bill, 182, 223, 225
Canada Grain bill, 510, 522
Canadian National Railways Capital Revision bill, 487

Crerar, Hon. T. A., P.C.—*Con.*
Canadian National Railways (Terrace to Kitimat) bill, 355
Criminal Code bill, 219
Dominion Succession Duty bill, 340, 417
Eastern Rocky Mountain Conservation bill, 486
Estimates
Referred to Finance committee, 87; printing of proceedings and increase in quorum, 101
Report of committee, 495; motion to print, 495, 521; report concurred in, 562, 571
Income Tax bill, 413
Industrial Development Bank bill, 278
Northwest Territories bill, 482
Prisons and Reformatories bill, 103
Senate
Finance committee, 66, 83, 101
Tax Rental Agreements bill, 525, 527
Victoria Day bill, 168

Crown Companies
Income tax, 381

Currency, 304, 307, 322, 323
Currency, Mint and Exchange Fund bill, 502, 529, 573, 577
Premium on American money, 150
Sterling, 276, 574

Dairy Industry, 9, 15, 157, 175, 191, 200, 216, 219, 225, 329, 359, 360

Davies, Hon. W. Rupert
Appropriation bill No. 2, loans to immigrants, 136
Dominion Succession Duty bill, 335, 417
Emergency Gold Mining Assistance bill, 395
Excise Tax bill, 331

Davis, Hon. John C.
Address in reply to the Speech from the Throne, 105
Birth control, 108
Dr. Howden, tribute to, 106
Freight rates, 108
Governor General, first Canadian appointee, 105
Her Majesty Queen Elizabeth II, 106
King George VI, the late, 105
Wars, cause of, 106-108
Canada Dairy Products bill, 179
Correction of designation, 202
National Dental Examining Board of Canada bill, 286
Royal Canadian Academy of Arts bill, 104

Divorce
Petitions, withdrawn, 156; extension of time for receiving, 345; hearings closed, 460
Printing of evidence, 108, 110
Statistics, 1952—final report of committee, 499

"Dominion" of Canada, 12, 90-92, 124

Doone, Hon. J. J. Hayes
Address in reply to the Speech from the Throne, 92
Birth control, 98
British Empire and Commonwealth of Nations, 94
Canada's prosperity, 99
Education, 99
Government financing—surpluses, 97
King George VI, the late, 93
Maritime provinces, rights of, 96; fishing industry, 96
National defence, 98
Queen Elizabeth II, 93
Taxation, 98
United Nations, 93
War Veterans' pensions, 95
Currency, Mint and Exchange Fund bill, 577
Estimates—report of Finance committee, 567
Maritime fishing industry—markets and trade, 567-570
Salacious and Indecent Literature
Motion for appointment of special committee, 186
Personnel, 199; reports of, 206, 501

Duff, Hon. William
Canadian Ships and Seamen—inquiry, 479, 561, 579
Navigation Schools—inquiry, 15, 45
Senator's attendance—privilege, 588

Duffus, Hon. J. J.
Sisters of Charity of the House of Providence bill, 162, 190, 269, 289

Dupuis, Hon. Vincent
Canadian National Railways Capital Revision bill, 473
Great Eastern Insurance Company bill, 154, 165

Earl Alexander of Tunis
Tributes to, 9, 40, 48, 90

Education, 99, 427, 428, 429, 430, 523, 524

Emergency Powers Act
Address to His Excellency the Governor General, 303, 323, 402

Emmerson, Hon. H. R.
Aeronautics bill, 393
Prisons and Reformatories bill, 102

Estimates, 121, 128, 419
Referred to Finance committee, 87; printing of proceedings, 101, 521
Report of committee, 495; 531; concurred in, 562

Euler, Hon. W. D., P.C.
Appropriation bill No. 2, 136
Canada Dairy Products bill, 9, 15, 157, 175, 182, 183, 224, 364
Canadian National Railways (Terrace to Kitimat) bill, 290, 291, 292, 293
Dominion Succession Duty bill, 418
Economical Mutual Fire Insurance Company bill, 158, 184
Excise Tax bill, 331
Income Tax bill, 375, 377, 389, 412
Japanese Peace Treaty—Resolution of Approval, 146
Tourist traffic, 150
Victoria Day bill, 167

European Defence Community, 503

Extradition
Motion for approval of Supplementary Convention with United States, 315; subject matter referred to committee, 321; report of committee, 496; motion agreed to, 530

Farris, Hon. J. W. deB.
Appropriation bill No. 3, 341
Burrard Inlet Tunnel and Bridge Company bill, 163, 164
Canada Dairy Products bill, 202, 366
Combines Investigation Act and Criminal Code bill, 529, 571, 572
Consumer Credit (Temporary Provisions) Act—motion, 303
Criminal Code (Race Meetings) bill, 371
Extradition—Motion for approval of supplementary convention with United States, 316, 319
Government legislation—introduction in Senate by Ministers, 154
Income Tax bill, 382
MacQuarrie report, 572
Victoria Day bill, 167

Fishing Industry, 51-53, 84, 96, 113, 293-298

Fogo, Hon. J. G.
Canada-France Income Tax Convention bill, 400
Canadian Shipowners Mutual Assurance Association bill, 404
Garrett Corporation Patent Application bill, 162, 190, 269
National Dental Examining Board of Canada, 217

Foot and Mouth Disease in Western Canada, 11, 15, 22, 34, 63, 88, 121, 220, 221

Forest Conservation, 484-487

Freight rates, 108, 119, 471, 472, 474, 476, 498

Garson, Hon. Stuart S., P.C. (Minister of Justice)
Criminal Code bill, 207, 215

Genocide
Motion for approval of convention for prevention and punishment, 311
Privilege—letter from Turkish Ambassador to Canada, 496

German Federal Republic, 503, 504

Gershaw, Hon. F. W.
Address in reply to the Speech from the Throne, 58
National Health
Governmental policy, 1948, 60
Insurance, 58; attitude of Canadian Medical Association, 60
Romance of medicine in Canada, 58
Canadian Farm Loan bill, 367
Eastern Rocky Mountain Conservation bill, 486
Foot and Mouth Disease bill, 25
Industrial Development Bank bill, 277
International Boundary Waters Treaty bill, 440
International Joint Commission, 440
National Dental Examining Board of Canada bill, 284, 286, 288
Northwest Territories bill, 479

Gillette, Hon. Guy M. (United States Senator)
Address to Senate, 159

Gold mining, 395

Gouin, Hon. L. M.
Address in reply to the Speech from the Throne, 11
Canada's constitutional growth, 12
Canadian Broadcasting, 14
Commonwealth countries, independence of, 13
Governor General, first Canadian appointee, 13
Her Majesty, Queen Elizabeth II, 11, 12
International situation, 14
King George VI, the late, 11
National defence, 14
Deceased senators, 20
External Relations committee, 68, 83
Treaty of Peace (Japan) bill, 455
Visit to Ottawa of distinguished Americans, 141, 157

Government legislation—Introduction in Senate by Ministers, 154

Governmental financing, 40, 126, 277-280, 327
Appropriation bills, 121, 128, 139, 142, 341, 590
Surpluses, 35, 40, 41, 97, 126

Governor General of Canada
Addresses to, 303, 322, 323, 402
Appointment of Canadian, 10, 13, 40, 46, 49, 70, 90, 105, 124

Grant, Hon. T. V.
Divorce Statistics, 1952—final report of committee, 501
University debating championship, 33

Haig, Hon. John T.
Address in reply to the Speech from the Throne, 30, 33
Deceased senators, 33
Foot and Mouth disease, 34
Her Majesty, Queen Elizabeth II, 33
King George VI, the late, 33
Korean situation, 38
North Atlantic Treaty Organization, 39
Pressure groups, 34
Redistribution, 37
Russian menace, 38, 40
St. Lawrence Seaway, 37
Taxation—Corporation and Income, 34
United Nations, 38
Appropriation Bills
No. 1, 122
No. 2, 132
No. 3, 342
British North America Acts Amendment (Readjustment of Representation in Commons) bill, 426
Canada Dairy Products bill, 221, 364
Canada-France Income Tax Convention bill, 398, 407
Canadian Curling Championship, 30
Canadian Farm Loan bill, 369
Canadian Forces bill, 310
Canadian National Railways Capital Revision bill, 470, 472, 489, 497
Canadian Shipowners Mutual Assurance Association, 460
Combines Investigation Act and Criminal Code bill, 452
Consumer Credit (Temporary Provisions) Act—motion, 304
Criminal Code bill, 198, 214, 218, 275
Deceased senators, 33, 152
Divorce, printing of evidence, 110
Dominion Succession Duty bill, 340
Education, 427, 428
Emergency Powers Act—motion, 325
Estimates—report of Finance Committee, 521, 565

Haig, Hon. John T.—*Con.*
Food and Drugs bill, 403
Government Property Traffic bill, 386
Income Tax bill, 383, 409, 414
Industrial Development Bank bill, 279
International Boundary Waters Treaty bill, 439
International Joint Commission, 439
Japanese Peace Treaty, 114
National Dental Examining Board of Canada bill, 285
National Railways Auditors bill, 203
North Atlantic Treaty—motion for approval of protocols, 504
Parking on Parliament Hill, 282
Private enterprise—telephone companies, 409
Provincial rights, 285, 426
Senate
Business of, 464
Committees, standing, increase in membership, 81
Finance committee, 67
Procedure on question of privilege, 188
Rules, 162
Work of, 364
Tax Rental Agreements bill, 519, 523
Temporary Government Leader in Senate, 329
Treaty of Peace (Japan) bill, 455
Victoria Day bill, 167, 169
Visit to Ottawa of distinguished Americans, 141; guests of Senate, 159
War Veterans Allowance bill, 494, 508

Hardy, Hon. A. C., P.C.
Canada Dairy Products bill, 224
Ogdensburg Bridge Authority bill, 416, 423
Parking on Parliament Hill, 282
Victoria Day bill, 168, 172, 175

Hawkins, Hon. Charles G.
Address in reply to the Speech from the Throne, 83
Agriculture, 84
Canada's prosperity, 84
Maritime provinces
Fisheries, 84
Forests, production and conservation, 84, 85

Hayden, Hon. Salter A.
Canada Dairy Products bill, 222, 360
Canada Elections bill, 372
Canada-France Income Tax Convention bill, 408
Criminal Code bill, 215
Dominion Succession Duty bill, 334
Excise bill, 332
Excise Tax bill, 329
Export and Import Permits bill, 64, 101
Income Tax bill, 373, 409, 411, 414

Hayden, Hon. Salter A.—*Con.*
Perth Mutual Fire Insurance Company bill, 101
Private enterprise and public utilities, 411

Her Majesty Queen Elizabeth II, 9, 12, 33, 73, 93, 105
Address of sympathy and loyalty, 2, 3, 8
Message of thanks, 206

Her Majesty the Queen Mother, 2, 3, 8, 90, 206

Holland
Visit of Minister of Economic Affairs, 383

Horner, Hon. R. B.
Address in reply to the Speech from the Throne, 118
Birth control, 118
Foot and Mouth disease, 121
Freight rates, 119
Japanese Peace Treaty, 118
Redistribution, 119
St. Lawrence Seaway, 119
Taxation, 120
Wheat, 120
Canadian National Railways
Capital Revision bill, 468, 489
Financing and Guarantee bill, 514
Terrace to Kitimat bill, 354
Eastern Rocky Mountain Conservation bill, 486
Food and Drugs bill, 404
Foot and Mouth Disease bill, 23
Government Property Traffic bill, 387
Income Tax bill, 414
International Boundary Waters Treaty bill, 440
Japanese Peace Treaty, 118
Resolution of Approval, 146, 148
Representation bill, 587
Tax Rental Agreements bill, 525

Howard, Hon. C. B.
Dominion Succession Duty bill, 416, 419

Howden, Hon. J. P.
Address in reply to the Speech from the Throne, 9
Birth control, 10
Canada's prosperity, 11
Earl Alexander of Tunis, tribute to, 9
Foot and Mouth Disease, 11
Governor General, first Canadian appointee, 10
Her Majesty Queen Elizabeth II, 10
Japanese Peace Treaty, 10
King George VI, the late, 9
North Atlantic Treaty Organization, 11
Redistribution, 10
World situation, 10

Howden, Hon. J. P.—*Con.*
Canadian National Railways Capital Revision bill, 474
National Dental Examining Board of Canada bill, 285

Hugessen, Hon. A. K.
Addresses to Their Majesties—Notice of Motion, 2
Aeronautics bill, 391-395
Appropriation bills
No. 1, 121
No. 4, 590
Boundary Pipeline Corporation bill, 86
Canadian Ships and Seamen, inquiry, 579
Canadian National Railway (Terrace to Kitimat) bill, 355
Criminal Code bill, 275
Currency, Mint and Exchange Fund bill, 502, 573, 577
Divorce
Printing of evidence, 110
Statistics—final report of committee (1952), 501
Estimates—report of Finance Committee, 570
Extradition—Motion for approval of supplementary convention with United States, 315, 320, 321
Industrial Development Bank bill, 279
Japanese Peace Treaty, 110
Marine and Aviation War Risks bill, 502, 573
North Atlantic Treaty—Motion for approval of protocol, 502
Railway bill (pro forma), 2
Representation bill, 587
St. Lawrence Waterways — documents tabled, 584
Senate
Business of, 110, 577, 580, 585, 586, 589, 590
Committees
Orders and Privileges—Motion of appointment, 2
Selection—Motion of appointment, 2
Transport and Communications, 68, 83, 86
Speech from the Throne—Motion for consideration, 2
Tax Rental Agreements bill, 526
Victoria Day bill, 171

Hydro Electric Power, 57, 74, 75, 124, 295-298

Immigration, 71, 136, 145, 146, 149, 479, 484, 511, 521

Income Tax, 327, 373, 387, 390, 409, 414

Inflation, 563, 564

Inquiries
Aluminium Limited—accelerated depreciation, 77
Canadian Broadcasting Corporation, 49
Canadian Ships and Seamen, 479, 561, 579
Farm Implements, Insecticides and Fertilizers, 198
Government of Canada cheques, 311
National Railways Auditors bill, 275
Navigation Schools, 15, 45

International Affairs, 10, 38, 40, 110, 455

International Joint Commission, 438-441

Isnor, Hon. G. B.
Canada-France Income Tax Convention bill, 399, 400
Canadian National Railways Capital Revision bill, 464, 476, 507
Emergency Powers and Consumer Credit Acts, 325
Government Employees Compensation bill, 301
Income Tax bill, 378, 379, 380
National Railways Auditors bill, 203
Tourist traffic, 102, 150

Japan
Fisheries Treaty, 51, 113, 144, 148
Peace Treaty—Resolution of Approval, 10, 110, 118, 144; subject matter referred to committee, 116, 149; bill, 433, 453, 479
Trade, 454, 456

Johnson, Leroy (United States Representative)
Address to the Senate, 160

King George VI, the late
Address of sympathy and loyalty to Her Majesty Queen Elizabeth II, and Message of condolence to Her Majesty the Queen Mother, 3, 8
Message of thanks from Her Majesty Queen Elizabeth II, and Her Majesty the Queen Mother, 206
Tributes to his memory, 9, 11, 33, 73, 89, 93, 105

King, Hon. J. H., P.C.
Canada Dairy Products bill, 184, 220
Canadian National Railways Capital Revision bill, 497, 505
Senate Committees
Quorums and memberships, 66, 68, 69, 80, 81, 82
Selection, report of, 44, 55
Unemployment Insurance bill, 459
Victoria Day bill, 166, 171, 172, 175

Kinley, Hon. J. J.
Appropriation Bill No. 2, 137
Canada Dairy Products bill, 180
Currency, Mint and Exchange Fund bill, 576
Safety on the Great Lakes—approval of agreement, 489
Senate Committees
Membership, 82
Victoria Day bill, 169

Korean situation, 38, 115, 504

Lacasse, Hon. Gustave
Address in reply to the Speech from the Throne, 70
Birth control, 70
Canadian currency, 71
Governor General, first Canadian appointee, 70, 71
Immigration, 71
International relations, 71
Old Age Security and Family Allowance cheques, 72; motion, 421
Government of Canada cheques—inquiry, 311
National Dental Examining Board of Canada bill, 287
Provincial rights, 287

Lambert, Hon. Norman P.
Address in reply to the Speech from the Throne, 46
Earl Alexander of Tunis, tribute to, 48
Governor General, first Canadian appointee, 46
St. Laurent, Right Hon. Louis, Prime Minister of Canada, 46
Aeronautics bill, 394
British North America Act, constitutional amendments, consent of provinces, question of privilege, 583
Canada Dairy Products bill, 194, 220, 225, 366
Canada-France Income Tax Convention bill, 396, 399, 400, 408
Canadian National Railway (Terrace to Kitimat) bill, 295, 298
Currency, Mint and Exchange Fund bill, 575
Deceased senators, 18
Japanese Peace Treaty, 116
National Library bill, 347
Perth Mutual Fire Insurance Company bill, 45, 56, 117
Royal Canadian Academy of Arts bill, 104
Treaty of Peace (Japan) bill, 453

Lumber industry, 84, 125

MacKinnon, Hon. James A., P.C.
Northwest Territories bill, 483

MacLennan, Hon. Donald
Canadian National Railway (Terrace to Kitimat) bill, 354
Income Tax bill, 389
Interpretation bill, 165
Nova Scotia Telephone Company, 389

MacQuarrie report, 442, 571, 572

Marcotte, Hon. Arthur
Address in reply to the Speech from the Throne, 89
Birth control, 98
"Dominion" of Canada, 90-92
Earl Alexander of Tunis, tribute to, 90
Governor General, first Canadian appointee, 90
King George VI, the late, 89
Queen Elizabeth II and the Queen Mother, 90
British North America Acts amendment (Readjustment of Representation in Commons) bill, 437
Constitutional amendments—consent of provinces, 582
Criminal Code bill, 274
Deceased senators, 21
Senate
Question of privilege—New Brunswick Potato Growers, 189
Senators' travelling expenses, 76

Maritime Provinces
Agriculture, 74, 188
Fisheries, 84, 96; markets, 567-570
Lumber industry, 84, 85, 125
Power development, 74, 75, 124-126
Rights of, 63, 74, 96, 124
Shipbuilding, 63
Telephone Companies, 388-390, 409-414
Transportation, 63, 75, 204

Martin, Hon. Paul, P.C. (Minister of National Health and Welfare)
Food and Drugs bill, 402, 404

Massey, Right Hon. Vincent, C.H.
Governor General, first Canadian appointee, 10, 13, 40, 46, 49, 71, 90, 105, 124

McDonald, Hon. J. A.
Address in reply to the Speech from the Throne, 61
Agriculture, 61
Cost of living, 62
Foot and Mouth disease, 63
Maritime shipbuilding, 63
Prices inquiry, 62
Transportation facilities in Nova Scotia, 63
Cold Storage bill, 435

McDonald, Hon. J. A.—*Con.*
Farm Implements, Insecticides and Fertilizers inquiry, 198
Income Tax bill, 378, 380
Senate
Committee of selection, reports of, 3, 30, 44

McIntyre, Hon. James P.
Address in reply to the Speech from the Throne, 73
Her Majesty Queen Elizabeth II, 73
King George VI, the late, 73
Prince Edward Island, agriculture, 74; power development, 75; railway service, 75; tourist attractions, 75
St. Lawrence Seaway, 73; hydro electric development, 74

McKeen, Hon. S. S.
Burrard Inlet Tunnel and Bridge Company bill, 154, 163, 269

McLean, Hon. A. N.
Currency, Mint and Exchange Fund bill, 574, 576
Deceased senators, 152
Unemployment Insurance bill, 478

National Defence, 14, 98, 301, 309, 323, 324, 325, 327, 564

National Health Insurance, 58

National Library, 347-351

Navigation Schools
Inquiry, 45
Question of privilege, 15

New Brunswick Potato Growers, 188

Nicol, Hon. Jacob
Criminal Code bill—point of order, 218
Economical Mutual Fire Insurance Company, 269
Great Eastern Insurance Company, 269
Tax Rental Agreements bill, 519, 527, 528

North Atlantic Treaty Organization, 11, 14, 39, 44, 158, 563
Motion for approval of protocols, 502

Northwest Territories, 479
Oil, 55

Old Age Security and Family Allowance cheques, 72; motion, 421

Oleomargarine, 9, 15, 157, 175, 191, 200, 221, 332

Parking on Parliament Hill, 282, 372, 386, 387, 420, 435

Parliament
Members' retiring allowances, 560
Opening, 1
Prorogation, 593

Paterson, Hon. Norman McL.
Canadian National Railway (Terrace to Kitimat) bill, 291, 295, 297
Excise bill, 333
National Library bill, 350, 351
Senate
Reports of Internal Economy Committee, 372, 385

Pensions
Civil Service Superannuation, 310
Civilian War Pensions and Allowance bill, 509
Government Employees Compensation Act, 301
Members of Parliament Retiring Allowances bill, 560
Old age, 131, 421
War Veterans, 95, 309, 310, 324, 508, 509

Pirie, Hon. F. W.
New Brunswick Potato Growers—question of privilege, 188

Pratt, Hon. Calvert C.
Canada Dairy Products bill, 195
Navigation Schools—question of privilege, 15
Victoria Day bill, 172

Private enterprise and public utilities, 387-390, 409-413, 571, 572

Provincial Rights, 284-288, 297, 426-432, 437, 519, 525-529, 582
Interprovincial trade, 175-184, 191-197, 219-225
Tax Rental Agreements bill, 517, 523

Queen Elizabeth II, and the Queen Mother
Addresses of Sympathy and loyalty, 2, 3, 8
Messages of thanks, 206

Quinn, Hon. Felix P.
Victoria Day bill, 170

Quinton, the late Hon. H. W., C.M.G.
Tributes to his memory, 151

Railways
Canadian National
Capital Revision bill, 453, 464, 477, 479, 484, 487, 497, 505
Financing and Guarantee bill, 496, 513, 529
National Railways Auditors bill, 186, 203, 206
Sir Henry Thornton, criticism and defence of, 469, 470, 475, 489, 506, 507, 514

Railways—*Con.*
Terrace to Kitimat bill, 277, 289, 298, 327, 329, 353, 359
Canadian Pacific
Financing—Return to Order of November 13, 1951, 9

Redistribution, 10, 37, 119, 425-432

Reid, Hon. Thomas
Address in reply to the Speech from the Throne, 49
British Columbia fisheries, 52
Governor General, first Canadian appointee, 49
Japanese Fisheries Treaty, 51
Pressure groups, 51, 52
United Nations—propaganda, 50
Aluminium Limited—accelerated depreciation, inquiry, 77
Appropriation Bill No. 2, 137
British North America Acts Amendment (Readjustment of Representation in Commons) bill, 429
Canada Dairy Products bill, 181
Canada Elections bill, 351
Canada Grain bill, 510, 522
Canadian Broadcasting Corporation inquiry, 49
Canadian National Railway (Terrace to Kitimat) bill, 293
Consumer Credit (Temporary Provisions) Act, 304
Criminal Code bill, 215
Customs Tariff bill, 346
Education, 429, 430
Food and Drugs bill, 404
Foot and Mouth Disease bill, 25
Industrial Development Bank bill, 278
Japanese Peace Treaty—Resolution of Approval, 144; bill, 456
New Westminster Harbour Commissioners bill, 298
Parking on Parliament Hill, 283
Prisons and Reformatories bill, 103
Provincial rights, 430
Safety on the Great Lakes, 493
Salacious and indecent literature, 199
Senate Committees, 80, 81, 88
Tax Rental Agreements bill, 524
Unemployment Insurance bill, 477
War Veterans Allowance bill, 508

Robertson, Hon. W. McL., P.C.
Address in reply to the Speech from the Throne, 40
Earl Alexander of Tunis, tribute to, 40
Governmental financing, 40; surplus, 41
Governor General, first Canadian appointee, 40
North Atlantic Treaty Organization, 44
Taxation, corporation and income, 42, 43
United Nations, 43

Robertson, Hon. W. McL., P.C.—*Con.*
Address of sympathy and loyalty to Her Majesty Queen Elizabeth II, 3; message of condolence to Her Majesty the Queen Mother, 3
Motion, 8
Aluminium Limited—accelerated depreciation, inquiry, 77
Appropriation Bill No. 2, 128, 136, 138, 142
Army Benevolent Fund bill, 512
Belleville Harbour Commissioners bill, 457
British North America Acts Amendment (Readjustment of Representation in Commons) bill, 420, 425, 431, 432
Canada Dairy Products bill, 178, 191, 197, 200, 216, 219, 225, 360
Canada Elections bill, 351
Canada Grain bill, 511
Canadian Broadcasting Corporation, inquiry, 49
Canadian Farm Loan bill, 370
Canadian Forces bill, 309
Canadian National Railways Capital Revision bill, 474, 484, 507; notice of committee meeting, 483
Canadian National Railways Financing and Guarantee bill, 513
Canadian National Railway (Terrace to Kitimat) bill, 356, 359
Canadian Pacific Railway Financing—return to order of November 13, 1951, 9
Canadian Ships and Seamen—inquiry, 479, 561
Cold Storage bill, 423, 437
Combines Investigation Act and Criminal Code bill, 435, 452
Consumer Credit (Temporary Provisions) Act, 305, 309, 322
Criminal Code bill, 198, 206, 207, 216, 217, 218, 219, 274, 288
Criminal Code (Race Meetings) bill, 345, 370
Customs Tariff bill, 345
Deceased senators, 16, 151
Emergency Powers Act, 303, 323, 325
Estimates, 87, 128-139, 419
Excise Tax bill, 327
Export and Import Permits bill, 30, 45, 55
Farm Implements, Insecticides and Fertilizers, inquiry, 198
Food and Drugs bill, 373
Foot and Mouth Disease bill, 15, 22, 27
Government of Canada cheques, inquiry, 311
Government legislation — introduction in Senate by Ministers, 155
Government Property Traffic bill, 372, 386, 435
Immigration bill, notice of motion, 479; subject matter referred to committee, 484
Income Tax bill, 384, 390, 412
Industrial Development Bank bill, 275

Robertson, Hon. W. McL., P.C.—*Con.*
International Boundary Waters Treaty bill, 433, 438, 440
International Joint Commission, 438, 440
Interpretation bill, 154
Japanese Peace Treaty—Resolution of Approval, 149; bill, 456
Members of Parliament Retiring Allowances bill, 560
National Railways Auditors bill, 203, 204, 275
Navigation Schools—inquiry, 45
Ogdensburg Bridge Authority bill, 416
Parking on Parliament Hill, 283
Prime Minister of Ceylon, the late Right Hon. Don Stephen Senanayake, expression of sympathy, 82
Prisons and Reformatories bill, 77
Safety on the Great Lakes, 489
Salacious and indecent literature, 187
Senate
Adjournment, 28, 76, 153
Business of, 3, 89, 127, 153, 173, 302, 361, 400, 406, 415, 462, 522, 530, 561
Committees
Divorce, 3, 345
Finance, 66
Library, Printing and Restaurant, 55
Natural Resources, 3
Selection, 55
Standing, increase in membership, motion, 78, 81
Emergency sittings, 142
Government leader, duties of, 362
Suspension of Rules, 421, 433
Supreme Court bill, 154, 164
Tariff Board bill, 352
Tax Rental Agreements bill, 517, 527
Trade Marks bill, 433, 435
Visit to Ottawa of distinguished Americans, 141, 157; guests of Senate, 158, 161
Visit of Dr. J. R. M. van den Brink, Minister of Economic Affairs for Holland, 383
War Veterans Allowance bill, 494, 508

Roebuck, Hon. A. W.
Aeronautics bill, 393, 394
Appropriation Bill No. 3, 342
Burrard Inlet Tunnel and Bridge Company bill, 164
Canada Dairy Products bill, 191
Canada Elections bill, 351
Canadian National Railways Capital Revision bill, 469, 487
Canadian National Railway (Terrace to Kitimat) bill, 292, 354, 356
Combines Investigation Act and Criminal Code bill, 442
Consumer Credit (Temporary Provisions) Act, 304, 307
Criminal Code bill, 174, 217, 218, 219, 270

Roebuck, Hon. A. W.—*Con.*
Deceased senators, 19
Dominion Succession Duty bill, 339
Eastern Rocky Mountain Conservation bill, 485
Extradition—Motion for approval of supplementary convention with United States, 320, 321
Foot and Mouth Disease bill, 27
Genocide—Motion for approval of convention for prevention and punishment, 311; privilege, 496
Income Tax bill, 390, 410
National Dental Examining Board of Canada bill, 286
National Library bill, 349, 350
Private enterprise and public utilities, 410
Provincial rights, 286
Royal Canadian Academy of Arts bill, 77, 103, 156
Royal Canadian Mounted Police, 272
Senate Rules, 399
Telephone companies, 390
Victoria Day bill, 170

Ross, Hon. G. H.
Canada Dairy Products bill, 200

Royal Assent, 28, 128, 140, 329, 343, 442, 457, 590, 591

Royal Canadian Mounted Police, 272

Russian menace, 38, 40, 111, 144, 147, 504, 505, 524, 562, 566

Safety on the Great Lakes, 489

St. Laurent, Right Hon. Louis, Prime Minister of Canada, 11, 12, 46

St. Lawrence Waterways, 37, 73, 119, 124, 126, 194, 428, 584

Salacious and Indecent Literature
Special committee, 186, 199, 206, 501

Senanayake, the late Right Hon. Don Stephen, Prime Minister of Ceylon
Expression of sympathy, 82

Senate
Adjournments, 27, 76, 153
Business of, 3, 89, 110, 127, 153, 173, 302, 400, 406, 415, 462, 522, 530, 561, 577, 580, 585, 586, 589, 590
Committees
Canadian Trade Relations, 102
Divorce, 3, 345
External Relations, 68, 78, 83, 87, 102
Finance, 66, 78, 82, 101, 162; report of, 495
Internal Economy, 372, 385

Senate—*Con.*
Committees—*Con.*
Joint—Library, Printing, Restaurant, 55, 66
Natural Resources, 3, 102
Orders and Privileges, 2
Selection, 2, 3, 30, 44, 55, 82
Tourist Traffic, 102
Transport and Communications, 68, 78, 82, 83, 86, 102, 198
Emergency sittings, 142
Rules, 162, 399
Suspension, 421, 423, 433
Staff, 372, 385
Work of, 361, 364, 561

Senators
Deceased, 9, 16, 33, 151

Speech from the Throne, 1, 593
Address in reply
Motion for, 9; adopted, 127
Speakers: Hon. Senators Burchill, 124; Davis, 105; Doone, 92; Gershaw, 58; Gouin, 11; Haig, 30, 33; Hawkins, 83; Horner, 118; Howden, 9; Lacasse, 70; Lambert, 46; Marcotte, 89; McDonald, 61; McIntyre, 73; Reid, 49; Robertson, 40
Message of thanks from His Excellency, the Governor General, 154

Stambaugh, Hon. J. W.
Board of Elders of the Canadian District of the Moravian Church of America bill, 123, 142, 156, 162
Canada Dairy Products bill, 194
Canadian National Railways Capital Revision bill, 506
Canadian National Railways Financing and Guarantee bill, 516
Canadian National Railway (Terrace to Kitimat) bill, 353, 355, 357
Consumer Credit (Temporary Provisions) Act, 308
Hotel Mutual Insurance Company bill, 154, 156, 207

Succession Duties, 311, 334, 341, 415, 416, 419

Taxation, 98, 120, 126, 564
Canada-France Income Tax Convention bill, 396, 407
Corporation, 35, 36, 42, 373-377, 409, 417, 419, 517
Customs Tariff bill, 311, 345, 415
Dominion Succession Duty bill, 311, 334, 341, 415, 416, 419
Excise bill, 311, 332, 358
Excise Tax bill, 327, 329, 358
Income, 34, 43, 87

Taxation—*Con.*
Income Tax bill, 327, 373, 409
Tax Rental Agreements bill, 495, 517, 523, 529, 558

Telephone companies (privately owned), 387-390, 409-412

Tourist traffic, 150

Trade, 26, 100, 144, 147, 149, 175-184, 191-197, 303-309, 345, 387, 447-451, 454, 567-570, 574-577

Turgeon, Hon. J. Gray
Canada Dairy Products bill, 224
Canadian National Railway (Terrace to Kitimat) bill, 289-293
Immigration bill, 511, 521
Victoria Day bill, 169
Visit to Ottawa of distinguished Americans, 142

Turkey
Letter from Ambassador re "Armenian Massacre 1875", 496

United Nations, 38, 43, 50, 93, 112, 504

United States
Currency, premium on, 150
Distinguished visitors from, 141, 157; guests of the Senate, 158
Extradition, Supplementary Convention, 315-321, 496, 530
Korean war, 504
Safety on the Great Lakes—approval of agreement, 489

Vaillancourt, Hon. Cyrille
Canada Dairy Products bill, 180, 359
Consumer Credit (Temporary Provisions) Act, 322
Equitable Insurance Company bill, 162, 190, 301
Extradition—Motion for approval of Supplementary Convention with United States, 315
Gulf Pulp and Paper Company bill, 49, 57

Veniot, Hon. C. J.
Deceased senators, 20

Veterans
Army Benevolent Fund bill, 512, 523
Civilian War Pensions and Allowances bill, 509, 523
Pension bill, 509, 523
Veterans Benefit bill, 508, 523
Veterans Insurance bill, 509, 523
War Veterans Allowance bill, 508, 522

Vien, Hon. Thomas, P.C.
British North America Act, 284
Canada Dairy Products bill, 178, 360
Canadian National Railway (Terrace to Kitimat) bill, 291, 295, 296, 354, 356
Criminal Code bill, 218, 271, 273, 274, 275
Customs Tariff bill, 347
National Dental Examining Board of Canada bill, 284, 286
National Library bill, 349
Provincial rights, 284, 286
Senate
Question of privilege—New Brunswick Potato Growers, 189

War
Causes of, 10, 106, 114
Korean, 504

Wilson, Hon. Cairine R.
National Library bill, 358

Winters, Hon. R. H., P.C. (Minister of Resources and Development)
Eastern Rocky Mountain Conservation bill, 484

Wood, Hon. Thomas H.
Boundary Pipeline Corporation bill, 45, 55