Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE JEAN-PAUL DESCHATELETS, P.C.
SPEAKER

1969-70

SECOND SESSION, TWENTY-EIGHTH PARLIAMENT
18-19 ELIZABETH II

VOLUME I

(October 23, 1969, to March 25, 1970)

Parliament was opened on October 23, 1969
and was prorogued on October 7, 1970

Queen's Printer for Canada, Ottawa, 1970

The Speaker

THE HONOURABLE JEAN-PAUL DESCHATELETS, P.C.

The Leader of the Government

THE HONOURABLE PAUL MARTIN, P.C.

The Leader of the Opposition

THE HONOURABLE JACQUES FLYNN, P.C.

THE MINISTRY

According to Precedence

October 7, 1970

THE RIGHT HONOURABLE PIERRE ELLIOTT TRUDEAU, M.P.	Prime Minister
THE HONOURABLE PAUL JOSEPH JAMES MARTIN	Leader of the Government in the Senate
THE HONOURABLE MITCHELL SHARP, M.P.	Secretary of State for External Affairs
THE HONOURABLE GEORGE JAMES MCILRAITH, M.P.	Solicitor General of Canada
THE HONOURABLE ARTHUR LAING, M.P.	Minister of Public Works
THE HONOURABLE ALLAN JOSEPH MACEACHEN, M.P.	President of the Queen's Privy Council for Canada
THE HONOURABLE CHARLES MILLS DRURY, M.P.	President of the Treasury Board
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THE HONOURABLE JEAN-LUC PEPIN, M.P.	Minister of Industry, Trade and Commerce
THE HONOURABLE JEAN MARCHAND, M.P.	Minister of Regional Economic Expansion
THE HONOURABLE JOHN JAMES GREENE, M.P.	Minister of Energy, Mines and Resources
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THE HONOURABLE JOHN NAPIER TURNER, M.P.	Minister of Justice and Attorney General of Canada
THE HONOURABLE JEAN CHRÉTIEN, M.P.	Minister of Indian Affairs and Northern Development
THE HONOURABLE BRYCE STUART MACKASEY, M.P.	Minister of Labour
THE HONOURABLE DONALD STOVEL MACDONALD, M.P.	Minister of National Defence
THE HONOURABLE JOHN CARR MUNRO, M.P.	Minister of National Health and Welfare
THE HONOURABLE GÉRARD PELLETIER, M.P.	Secretary of State of Canada
THE HONOURABLE JACK DAVIS, M.P.	Minister of Fisheries and Forestry
THE HONOURABLE HORACE ANDREW OLSON, M.P.	Minister of Agriculture
THE HONOURABLE JEAN-EUDES DUBÉ, M.P.	Minister of Veterans Affairs
THE HONOURABLE STANLEY RONALD BASFORD, M.P.	Minister of Consumer and Corporate Affairs
THE HONOURABLE DONALD CAMPBELL JAMIESON, M.P.	Minister of Transport
THE HONOURABLE ERIC WILLIAM KIERANS, M.P.	Minister of Communications
THE HONOURABLE ROBERT KNIGHT ANDRAS, M.P.	Minister without Portfolio
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THE HONOURABLE OTTO EMIL LANG, M.P.	Minister of Manpower and Immigration
THE HONOURABLE HERB GRAY, M.P.	Minister of National Revenue
THE HONOURABLE ROBERT STANBURY, M.P.	Minister without Portfolio

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To the Prime Minister	B. J. Danson, M.P.
To the Minister of Agriculture	Marcel Lessard, M.P.
To the Secretary of State for External Affairs	A. Ouellet, M.P.
To the Minister of Finance	P. M. Mahoney, M.P.
To the Minister of Fisheries and Forestry	E. G. Corbin, M.P.
To the Minister of Indian Affairs and Northern Development	J. J. Buchanan, M.P.
To the Minister of Industry, Trade and Commerce	B. A. T. Howard, M.P.
To the Minister of Justice	A. Béchard, M.P.
To the Minister of Labour	R. J. Perreault, M.P.
To the Minister of Manpower and Immigration	C. L. Caccia, M.P.
To the Minister of National Health and Welfare	Dr. G. J. Isabelle, M.P.
To the President of the Privy Council	J. A. Jerome, M.P.
To the President of the Treasury Board	A. W. Gillespie, M.P.
To the Minister of Regional Economic Expansion	M. P. O'Connell, M.P.
To the Secretary of State of Canada	J. H. Faulkner, M.P.
To the Minister of Transport	G. Duquet, M.P.

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Deputy Secretary to the Cabinet (Operations)	M. A. Crowe
Deputy Secretary to the Cabinet (Plans)	P. M. Pitfield
Assistant Clerk of the Privy Council (Orders-in-Council)	J. L. Cross

SENATORS OF CANADA

ACCORDING TO SENIORITY

October 7, 1970

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
WALTER MORLEY ASELTINE, P.C.	Rosetown	Rosetown, Sask.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg, N.S.
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
MICHAEL G. BASHA	West Coast	Curling, Nfld.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
SARTO FOURNIER	De Lanaudière	Montreal, Que.
JOHN J. CONNOLLY, P.C.	Ottawa West	Ottawa, Ont.
DONALD CAMERON	Banff	Edmonton, Alta.
DAVID A. CROLL	Toronto-Spadina	Toronto, Ont.
FRED A. MCGRAND	Sunbury	Fredericton Junction, N.B.
DONALD SMITH	Queens-Shelburne	Liverpool, N.S.
HAROLD CONNOLLY	Halifax North	Halifax, N.S.
FLORENCE ELSIE INMAN	Murray Harbour	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal, Que.
WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert, Sask.
J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal, Que.
GEORGE STANLEY WHITE, P.C.	Hastings-Frontenac	Madoc, Ont.
JOSEPH A. SULLIVAN	North York	Toronto, Ont.
ARTHUR M. PEARSON	Lumsden	Lumsden, Sask.
LÉON MÉTHOT	Shawinigan	Trois-Rivières, Que.
JOHN JOSEPH MACDONALD	Queens	R.R. 9, Charlottetown, P.E.I.
JAMES GLADSTONE	Lethbridge	Cardston, Alta.
LIONEL CHOQUETTE	Ottawa East	Ottawa, Ont.
FREDERICK MURRAY BLOIS	Colchester-Hants	Truro, N.S.
JOHN MICHAEL MACDONALD	Cape Breton	North Sydney, N.S.
JOSIE ALICE DINAN QUART	Victoria	Quebec, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal, Que.
MALCOLM HOLLETT	Burin	St. John's, Nfld.
HARRY ALBERT WILLIS	Peel	Toronto, Ont.
J. CAMPBELL HAIG	River Heights	Winnipeg, Man.
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FRANK C. WELCH	Kings	Wolfville, N.S.
JACQUES FLYNN, P.C.	Rougemont	Quebec, Que.
DAVID JAMES WALKER, P.C.	Toronto	Toronto, Ont.
RHÉAL BELISLE	Sudbury	Sudbury, Ont.
PAUL YUZYK	Fort Garry	Winnipeg, Man.
ORVILLE HOWARD PHILLIPS	Prince	Alberton, P.E.I.
MAURICE BOURGET, P.C.	The Laurentides	Lévis, Que.
LOUIS P. GÉLINAS	Montarville	Montreal, Que.
ROMUALD BOURQUE	De la Vallière	Outremont, Que.
AZELLUS DENIS, P.C.	La Salle	Montreal, Que.
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DANIEL AIKEN LANG	South York	Toronto, Ont.
NELSON RATTENBURY	Southern New Brunswick	Saint John, N.B.
JOHN B. AIRD	Toronto	Toronto, Ont.
WILLIAM MOORE BENIDICKSON, P.C.	Kenora-Rainy River	Kenora, Ont.
ALEXANDER HAMILTON MCDONALD	Moosomin	Regina, Sask.
EARL ADAM HASTINGS	Palliser-Foothills	Calgary, Alta.
HARRY WILLIAM HAYS, P.C.	Calgary	Calgary, Alta.
JAMES HARPER PROWSE	Edmonton	Edmonton, Alta.
JOHN LANG NICHOL	Lion's Gate	Vancouver, B.C.
CHARLES ROBERT MCELMAN	Nashwaak Valley	Fredericton, N.B.
EARL WALLACE URQUHART	Inverness-Richmond	West Bay, N.S.
DOUGLAS KEITH DAVEY	York	Toronto, Ont.
JEAN-PAUL DESCHATELETS, P.C. (Speaker)	Lauzon	Montreal, Que.
HAZEN ROBERT ARGUE	Regina	Kayville, Sask.
ALAN AYLESWORTH MACNAUGHTON, P.C.	Sorel	Montreal, Que.
J. G. LEOPOLD LANGLOIS	Grandville	Quebec, Que.
PAUL DESRUISSEAUX	Wellington	Sherbrooke, Que.
CHESLEY WILLIAM CARTER	The Grand Banks	St. John's, Nfld.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JAMES DUGGAN	Avalon	St. John's, Nfld.
THOMAS JOSEPH KICKHAM	Cardigan	Souris, P.E.I.
DOUGLAS DONALD EVERETT	Fort Rouge	Winnipeg, Man.
MAURICE LAMONTAGNE, P.C.	Inkerman	Montreal, Que.
ANDREW ERNEST THOMPSON	Dovercourt	Kendal, Ont.
KEITH LAIRD	Windsor	Windsor, Ont.
MARY ELIZABETH KINNEAR	Welland	Port Colborne, Ont.
HERBERT ORVILLE SPARROW	Battlefords	North Battleford, Sask.
LAZARUS PHILLIPS	Rigaud	Westmount, Que.
RICHARD JAMES STANBURY	York Centre	Toronto, Ont.
DONALD ALLAN MCLEAN	Charlotte County	Black's Harbour, N.B.
HERVÉ J. MICHAUD	Kent	Fredericton, N.B.
WILLIAM JOHN PETTEN	Bonavista	St. John's, Nfld.
RAYMOND EUDES	De Lorimier	Montreal, Que.
PAUL MARTIN, P.C.	Windsor-Walkerville	Windsor, Ont..
HÉDARD ROBICHAUD, P.C.	Gloucester	Caraquet, N.B.
LOUIS DE GONZAGUE GIGUÈRE	De la Durantaye	Montreal, Que.

SENATORS OF CANADA

ALPHABETICAL LIST

October 7, 1970

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
AIRD, JOHN B.	Toronto	Toronto, Ont.
ARGUE, HAZEN	Regina	Kayville, Sask.
ASELTINE, WALTER M., P.C.	Rosetown	Rosetown, Sask.
BASHA, MICHAEL G.	West Coast	Curling, Nfld.
BEAUBIEN, L. P.	Bedford	Montreal, Que.
BELISLE, RHÉAL	Sudbury	Sudbury, Ont.
BENIDICKSON, W. M., P.C.	Kenora-Rainy River	Kenora, Ont.
BLOIS, FRED M.	Colchester-Hants	Truro, N.S.
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask.
BOURGET, MAURICE, P.C.	The Laurentides	Lévis, Que.
BOURQUE, ROMUALD	De la Vallière	Outremont, Que.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B.
CAMERON, DONALD	Banff	Edmonton, Alta.
CARTER, CHESLEY W.	The Grand Banks	St. John's, Nfld.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
CONNOLLY, HAROLD	Halifax North	Halifax, N.S.
CONNOLLY, JOHN J., P.C.	Ottawa West	Ottawa, Ont.
COOK, ERIC	St. John's East	St. John's, Nfld.
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont.
DAVEY, KEITH	York	Toronto, Ont.
DENIS, AZELLUS, P.C.	La Salle	Montreal, Que.
DESCHATELETS, JEAN-PAUL, P.C. (Speaker)	Lauzon	Montreal, Que.
DESRUISSEAUX, PAUL	Wellington	Sherbrooke, Que.
DUGGAN, JAMES	Avalon	St. John's, Nfld.
EUDES, RAYMOND	De Lorimier	Montreal, Que.
EVERETT, DOUGLAS D.	Fort Rouge	Winnipeg, Man.
FERGUSSON, MURIEL McQ.	Fredericton	Fredericton, N.B.
FLYNN, JACQUES, P.C.	Rougemont	Quebec, Que.
FOURNIER, EDGAR	Madawaska-Restigouche	Iroquois, N.B.
FOURNIER, SARTO	De Lanaudière	Montreal, Que.
GÉLINAS, LOUIS P.	Montarville	Montreal, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
GIGUÈRE, LOUIS DE G.	De la Durantaye	Montreal, Que.
GLADSTONE, JAMES	Lethbridge	Cardston, Alta.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GROSART, ALLISTER	Pickering	Toronto, Ont.
HAIG, J. CAMPBELL	River Heights	Winnipeg, Man.
HASTINGS, EARL A.	Palliser-Foothills	Calgary, Alta.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HAYS, HARRY, P.C.	Calgary	Calgary, Alta.
HOLLETT, MALCOLM	Burin	St. John's, Nfld.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
KICKHAM, THOMAS J.	Cardigan	Souris, P.E.I.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
KINNEAR, MARY E.	Welland	Port Colborne, Ont.
LAIRD, KEITH	Windsor	Windsor, Ont.
LAMONTAGNE, MAURICE, P.C.	Inkerman	Montreal, Que.
LANG, DANIEL A.	South York	Toronto, Ont.
LANGLOIS, LEOPOLD	Grandville	Quebec, Que.
LEFRANÇOIS, J. EUGÈNE	Repentigny	Montreal, Que.
MACDONALD, JOHN J.	Queens	R.R. 9, Charlottetown, P.E.I.
MACDONALD, JOHN M.	Cape Breton	North Sydney, N.S.
MACNAUGHTON, ALAN, P.C.	Sorel	Montreal, Que.
MARTIN, PAUL, P.C.	Windsor-Walkerville	Windsor, Ont.
MCDONALD, A. HAMILTON	Moosomin	Regina, Sask.
MCELMAN, CHARLES	Nashwaak Valley	Fredericton, N.B.
MCGRAND, FRED A.	Sunbury	Fredericton Junction, N.B.
MCLEAN, DONALD A.	Charlotte County	Black's Harbour, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MICHAUD, HERVÉ J.	Kent	Fredericton, N.B.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
NICHOL, JOHN	Lion's Gate	Vancouver, B.C.
O'LEARY, M. GRATTAN	Carleton	Ottawa, Ont.
PATERSON, NORMAN MCL.	Thunder Bay	Fort William, Ont.
PEARSON, ARTHUR M.	Lumsden	Lumsden, Sask.
PETTEN, WILLIAM J.	Bonavista	St. John's, Nfld.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
PHILLIPS, LAZARUS	Rigaud	Westmount, Que.
PHILLIPS, ORVILLE H.	Prince	Alberton, P.E.I.
PROWSE, J. HARPER	Edmonton	Edmonton, Alta.
QUART, JOSIE D.	Victoria	Quebec, Que.
RATTENBURY, NELSON	Southern New Brunswick	Saint John, N.B.
ROBICHAUD, HÉDARD, P.C.	Gloucester	Caraquet, N.B.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SPARROW, HERBERT O.	Battlefords	North Battleford, Sask.
STANBURY, RICHARD J.	York Centre	Toronto, Ont.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
THOMPSON, ANDREW	Dovercourt	Kendal, Ont.
URQUHART, EARL W.	Inverness-Richmond	West Bay, N.S.
WALKER, DAVID, P.C.	Toronto	Toronto, Ont.
WELCH, FRANK C.	Kings	Wolfville, N.S.
WHITE, GEORGE S., P.C.	Hastings-Frontenac	Madoc, Ont.
WILLIS, HARRY A.	Peel	Toronto, Ont.
YUZYK, PAUL	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

October 7, 1970

ONTARIO—24

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

QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
THE HONOURABLE		
1 LÉON MERCIER GOUIN	De Salaberry	Montreal.
2 SARTO FOURNIER	De Lanaudière	Montreal.
3 HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal.
4 J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal.
5 LÉON MÉTHOT	Shawinigan	Trois Rivières.
6 JOSIE ALICE DINAN QUART	Victoria	Quebec.
7 LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal.
8 JACQUES FLYNN, P.C.	Rougemont	Quebec.
9 MAURICE BOURGET, P.C.	The Laurentides	Lévis.
10 LOUIS P. GÉLINAS	Montarville	Montreal.
11 ROMUALD BOURQUE	De la Vallière	Outremont.
12 AZELLUS DENIS, P.C.	La Salle	Montreal.
13 JEAN-PAUL DESCHATELETS, P.C. (Speaker)	Lauzon	Montreal.
14 ALAN AYLESWORTH MACNAUGHTON, P.C.	Sorel	Montreal.
15 J. G. LEOPOLD LANGLOIS	Grandville	Quebec.
16 PAUL DESRUISSEAUX	Wellington	Sherbrooke.
17 MAURICE LAMONTAGNE, P.C.	Inkerman	Montreal.
18 LAZARUS PHILLIPS	Rigaud	Westmount.
19 RAYMOND EUDES	De Lorimier	Montreal.
20 LOUIS DE GONZAGUE GIGUÈRE	De la Durantaye	Montreal.
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NOVA SCOTIA—10

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

NEW BRUNSWICK—10

THE HONOURABLE		
1 GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson.
2 MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton.
3 FRED A. MCGRAND	Sunbury	Fredericton Junction.
4 EDGAR FOURNIER	Madawaska-Restigouche	Iroquois.
5 NELSON RATTENBURY	Southern New Brunswick	Saint John.
6 CHARLES ROBERT MCELMAN	Nashwaak Valley	Fredericton.
7 DONALD ALLAN MCLEAN	Charlotte County	Black's Harbour.
8 HERVÉ J. MICHAUD	Kent	Fredericton.
9 HÉDARD ROBICHAUD, P.C.	Gloucester	Caraquet.
10		

PRINCE EDWARD ISLAND—4

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

MANITOBA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 J. CAMPBELL HAIG	River Heights	Winnipeg.
2 PAUL YUZYK	Fort Garry	Winnipeg.
3 DOUGLAS DONALD EVERETT	Fort Rouge	Winnipeg.
4		
5		
6		

BRITISH COLUMBIA—6

THE HONOURABLE		
1 JOHN LANG NICHOL	Lion's Gate	Vancouver.
2		
3		
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6		

SASKATCHEWAN—6

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

ALBERTA—6

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

NEWFOUNDLAND—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 MICHAEL G. BASHA	West Coast	Curling.
2 MALCOLM HOLLETT	Burin	St. John's.
3 ERIC COOK	St. John's East	St. John's.
4 CHESLEY WILLIAM CARTER	The Grand Banks	St. John's.
5 JAMES DUGGAN	Avalon	St. John's.
6 WILLIAM JOHN PETTEN	Bonavista	St. John's.

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Postmaster	HAROLD KING
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CANADA

Debates of the Senate

OFFICIAL REPORT

Thursday, October 23, 1969

OPENING OF SECOND SESSION TWENTY-EIGHTH PARLIAMENT

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

The Senate met at 10.30 a.m., the Speaker in the Chair.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
Ottawa

October 23, 1969

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the main entrance of the Parliament Buildings at 10.30 a.m. on this day Thursday the 23rd of October, 1969, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Second Session of the Twenty-eighth Parliament of Canada.

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

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At 10.30 a.m. His Excellency the Governor General proceeded to the Senate chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to open the Second Session of the Twenty-eighth Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the Second Session of the Twenty-eighth Parliament of Canada and to present, on behalf of the Government, various matters which it wishes to lay before you.

Before doing so, may I say that, notwithstanding some unresolved problems which affect our collectivity, and notwithstanding the fears of people of little faith, it was encouraging to find, in the course of recent visits which my wife and I have made to Canadians in all ten provinces and in the Arctic islands, that their sense of identity, and of the potential which Canada offers to them and to their children, is strong and healthy.

I was also pleased to make a goodwill tour of the four Commonwealth countries of the Caribbean: Jamaica, Guyana, Barbados and Trinidad and Tobago. These visits abroad were made on the advice of the Government and with the encouragement of Her Majesty.

May I say, too, that Her Majesty's interest in Canada, and in Canadians and their affairs, will bring the Queen and the Duke of Edinburgh to Manitoba and to the Northwest Territories in July of next year to join in the celebration of their centennials.

Canada is a fortunate country, blessed by nature and spared by war, but we are not immune from the effects of conflicts in other

parts of the globe. Our world has become so compact, so interdependent, that all humanity is wounded by an outbreak of violence in any corner of the earth. Whether it be in Vietnam, Nigeria, or the Middle East, suffering in any part of the world disturbs the whole international community and affects Canada as a responsible member of that community.

Although we must be aware of the effects of these upheavals on our own country, we are even more concerned about the damage inflicted on the prospects for world peace and the spread of misery and deprivation. The means at our disposal for bringing these conflicts to an end are necessarily limited, but the Government is making full use of its opportunities to help reduce international tension.

We will continue to be an active member of the United Nations. After a quarter of a century of radical changes in its functions and membership, the U.N. needs to be revitalised and strengthened. Canada is presenting its proposals for reform to the present session of the General Assembly.

As weapons become more destructive and weapons' testing more dangerous, the Government is assigning a higher priority to its efforts in the field of arms control. One barrier to a ban on underground nuclear tests has been the difficulty of verifying that it is being observed. As a practical step towards such a ban, Canada has proposed an international exchange of seismic information.

As long as differences between peoples are permitted to degenerate into hatred and violence, we cannot remain unmoved by appeals for help from the victims of wars. At the International Red Cross Conference last month, the Canadian Government gained acceptance of a principle which it has long supported whereby the Red Cross will be permitted to provide relief during civil wars to civilians on both sides.

In addition to our work in international organizations, we are intensifying our direct contacts with many of the governments and peoples of Latin America, Africa and Asia. At this session you will be asked to consider a bill to create a Canadian International Development Research Centre which will bring together Canadian and foreign experts on the problems of developing economies.

A disturbing element in many countries of the world has been the rising tide of unrest, particularly among young people. It has expressed itself in many ways, in public debate, in peaceful protest and sometimes in violence. Our profound disapproval of the excesses must not blind us to deeply felt and legitimate aspirations. Many citizens in our own country believe that they are entitled to assume greater responsibility for the destiny of our society. Such demands, insofar as they do not conflict with the general welfare, are the expression of a truly democratic ideal. They must be satisfied if our society is to attain its goals of peace and justice.

The Government believes that the time has come to extend the franchise in federal elections and it will therefore recommend to the Standing Committee on Privileges and Elections of the House of Commons that the voting age be lowered to eighteen.

Changes will be proposed in the legislation governing the Northern Territories which will improve the representational character of their Councils.

If the rights and interests of individuals and groups are to be safeguarded, they must be accurately reflected in the political structure of this country and in its basic blueprint, the Constitution.

The Government therefore attaches the greatest importance to the revision of the Constitution and to the progress achieved by the Constitutional Conference. The last meeting of the Conference provided an opportunity for particularly productive discussions, and the Government is determined to spare no effort to ensure the success of this vital task.

History, geography and economics have placed certain of our citizens at a disadvantage. Under legislation enacted during the last session of Parliament, the Government is establishing programs to reduce these inequalities.

The Official Languages Act, which provides for the use of French and English in federal government institutions wherever the composition of the population justifies it, will permit the exercise of essential language rights within a society which recognizes and welcomes a rich diversity of race, religion and cultural traditions.

This resolve to achieve linguistic equality will have its counterpart in social and economic life. During the last session, Parliament enacted legislation which will enable the Government, with the co-operation of the provinces, to set up programs to reduce regional disparities in employment opportunities and average incomes. In fact, despite

the general cutback in its expenditures, the Government, recognizing the overriding urgency of these programs, has decided to allocate an increasing proportion of its revenues to them.

The necessity for raising the level of employment of Canadians of Indian descent and other less-favoured citizens will also receive special attention.

Changes in the patterns of need in our society call for a more equitable social policy which will offer assistance and security to people unable to work or to provide for themselves and their families. A white paper on social security will be presented together with a proposal concerning the reorganization of the unemployment insurance program.

Satisfactory relations between labour and management are of critical importance to our social and economic progress. The Government is devoting greater attention to the problems and possibilities of industrial relations and will be putting forward for your consideration amendments to the legislation governing collective bargaining in the industries within federal jurisdiction.

There are many obstacles to be overcome if we are to achieve our economic goals, but inflation is undoubtedly the most serious and the most difficult to control. If we fail to control it, the consequences could rapidly prove disastrous, especially—but not only—for those whose incomes are already low.

In recent months the Government has urged both the public and the private sectors to adopt special measures to combat the dangers of inflation. These measures, which the Government has itself adopted, must be applied by all if further restraints are to be avoided.

You will also be called upon to study proposals for tax reform aimed at a fairer distribution of the tax burden combined with favourable conditions for growth in the national economy. The structure of our tax system must be adapted to reflect more accurately the true circumstances of individual Canadians and of business organizations in our modern society.

One of Canada's most valuable assets is undeniably the richness and variety of her material resources. In some cases, production has increased substantially and outstripped demand; grain is one of the commodities of which reserves have piled up, causing financial hardship to a good many farmers.

Increasing production of grain in many countries has contributed to a decline in our international grain trade and in world grain prices. This reduction of markets and prices has been of utmost concern to the Government, which intends to continue its search for new outlets for Canadian grain and its efforts to improve international co-operation and to re-establish orderly marketing. In addition, you will be asked to consider amendments to the Canada Grain Act which are intended to make our products more competitive in world markets.

The competitive position of Canadian fisheries must also be strengthened, not only through new licensing and marketing arrangements, but also by extending Canada's exclusive fishing zones.

Our resources are immense, but they are not inexhaustible. Although we must encourage their development, we must also conserve them and regulate their use. Water is among the most precious of these resources. The evidence of past failure to rehabilitate our water resources is there for all to see—befouled water, despoiled beaches, rotting marine vegetation, and diminished fishing. The Government has made known its views on this serious problem, and has begun urgent discussions with the provinces. Upon their completion, the Government will introduce legislation which will enable it, in co-operation with the provinces, to improve and preserve our water resources. Thus may we assure ourselves of their continuing benefit for our own domestic use, industrial expansion, and recreation.

While the Atlantic and the Pacific retain their traditional importance for Canada, the Arctic Ocean and its coastal regions may soon enter a period of rapid economic development. Much of this development will undoubtedly occur on the islands of the Canadian archipelago, or in the adjoining continental shelf whose resources, under international law, we have the exclusive right to explore and exploit. With resource development, and the benefits it entails, may come grave danger to the balance of plant and animal life on land and in the sea, which is particularly precarious in the harsh polar regions. While encouraging such development, we must fulfil our responsibility to preserve these areas, as yet undespoiled and essentially in a state of nature. The Government will introduce legislation setting out the measures necessary to prevent pollution in the Arctic

Seas. It is also considering other methods of protecting Canada's ocean coasts.

Through the United Nations and its agencies Canada is seeking to establish a system to combat the pollution of international waters which threatens so many forms of life on this planet.

Our aim is a strong and productive country soundly equipped to face the future; but we are equally concerned with the individual Canadian, his rights and his interests. The Government regards national progress and individual fulfilment as indivisible components of its mandate.

The size, complexity and fallibility of the structures that technology imposes on modern societies are often in conflict with the protection and development of individual values. The workings of both private and public institutions may endanger the individual's free expression of his unique personality. He must therefore be protected from anything that jeopardizes his rights or limits his personal development.

To this end, Criminal Code amendments will be submitted to you that would regulate wire-tapping and other invasions of the individual's privacy, and reform the present law governing detention before trial. Bills will be submitted to make federal tribunals more accessible and responsive, and to ensure fair treatment in expropriation cases. There will also be a bill to create a national law reform commission, whose task will be the improvement and modernization of the law and its administration at the federal level.

You will also be asked to review the large body of legislation applying to companies and financial institutions. To enhance the position of the consumer in the market place, the Government will ask you to augment our body of consumer protection law. There will be proposals dealing with consumer credit, packaging and labelling, identification of the fibre content of textile products and motor vehicle safety.

In the field of housing, despite the difficulties of inflation, the objective is to construct one million new housing units in five years. The Government will play its part in achieving that objective while emphasizing measures to satisfy the needs of low income families. This and related programs will stimulate social progress, employment, economic growth and urban improvement. They are a recognition of the need for every citizen to live in healthy and pleasant surroundings.

I have mentioned some of the important subjects of legislation which you will be asked to consider at this session. You will also be invited to discuss a number of aspects of long-range national policy.

In addition to solving her immediate problems, Canada must be prepared to face the coming challenges of the post industrial era. This calls for a systematic appraisal of Canadian society and of the basic principles that are to guide it. During the past twelve months, the Government has begun this lengthy task. During this session a number of reports and white papers will be presented as part of a comprehensive revision of Government policy. You will thus be invited to examine the Government's findings concerning external affairs, defence, tax reform, citizenship, social security, information, and postal service.

In these documents the Government will define its goals and the means by which it proposes to achieve them, but it believes there is also a need for informed public discussion before bills are drafted in their final form, and before any far-reaching measures are taken.

A more intensive consideration of national policies by Parliament is in keeping with the spirit of the recent reforms in the rules of the House of Commons. These new rules will demonstrate that Parliamentary traditions can adapt to the changed circumstances of contemporary life while continuing to respect the fundamental principles of popular representation.

They are evidence of our common desire to modernize our institutions so that they will satisfy the needs and aspirations of our citizens, and thus enable us to work together in harmony and with renewed energy to ensure the progress and greatness of Canada.

Members of the House of Commons:

During this session, you will be asked to grant the necessary funds for the services and expenditures authorized by Parliament.

Honourable Members of the Senate:

Members of the House of Commons:

The Prime Minister will lay before you today a list of bills that will be submitted to you during the session.

May Divine Providence enlighten your deliberations.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

Hon. Leopold Langlois presented Bill S-1, relating to railways.

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION LATER THIS DAY

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

Hon. Senators: Dispense.

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

Hon. Leopold Langlois moved, with leave, seconded by Hon. Arthur W. Roebuck:

> That the speech of His Excellency the Governor General delivered this day from the Throne to the two Houses of Parliament be taken into consideration later this day.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Leopold Langlois moved, with leave, seconded by Hon. Arthur W. Roebuck:

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

Motion agreed to.

The Senate adjourned until 2 p.m.

SECOND SITTING

The Senate met at 2 p.m. the Speaker in the Chair.

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian for the Second Session of the Twenty-eighth Parliament, 1969.

Ordered: That the report do lie on the Table.

SIMULTANEOUS INTERPRETATION

FACILITIES IN SENATE CHAMBER

Hon. David A. Croll: Before commencing the business of the Senate this afternoon, I should like to raise a question of personal privilege, but one which actually concerns every member of the house. Last evening when the Chief Justice of Canada delivered the Prorogation Speech we did not have any interpretation for two-thirds of his speech. Today there was no interpretation at all when the Governor General read the Speech from the Throne.

I took this matter up with the Clerk yesterday, the day before and at various times last year. These facilities are provided in the House of Commons and are available to us. This morning there was no sitting of the House of Commons because the members were all here, yet there were no facilities available to us in this chamber.

I do not raise the matter in any critical way, but I think the Senate should give a direction. We have the equipment, and we ought to use it, particularly when we ask others to participate in both languages. We may have very much more need for it. For example, one of the speakers this afternoon, I understand, will be speaking mostly in French. It is not fair to him or to us that there should be no interpretation. In any event, the equipment is here and we ought to make sure that the interpreters are available.

The Hon. the Speaker: Honourable senators, perhaps I can reply to the honourable Senator Croll's question of privilege. On many occasions during the last session I have had complaints regarding the interpretation system and facilities. I am very happy that this matter has been raised today, at the beginning of a new session. It shows the interest of honourable senators in this system and in its usefulness.

I was advised of the fact that interpretation was not available for the sitting yesterday and again this morning. I assure all honourable senators that we will get together all the persons in authority at the level of administration of the Senate to ensure that the system works more satisfactorily in the future. This

is the least we can expect for the orderly conduct of the work of this chamber.

Again, I thank the honourable senator for having raised this matter at the opening of the session.

Hon. Arthur W. Roebuck: Your Honour, may I make a comment on this matter?

In the old days in the Senate the Speech from the Throne was read throughout, first in English and then in French. The result was that those who spoke French understood the whole speech and those who spoke English understood the whole speech. As it is at present, we switch from one language to the other in the course of the speech. I do not like this method. The result is that those only who are thoroughly bilingual understand the entire speech. Those who speak only French understand only half of the speech and those who speak only English understand only half of it. It is necessary to wait until *Hansard* is distributed to learn what has been said by the Governor General on such an auspicious occasion.

I do not see any advantage in this current method of reading the speech, and I wish we could go back to the former system of having the speech read in its entirety, first in one language and then in the other—I have no preference which language comes first. In that way all of us will hear and understand the entire speech.

Hon. Donald Cameron: Honourable senators, I rise to say that I do not agree with my good friend Senator Roebuck, that speeches should be read in both French and English. I can sympathize with those honourable senators—and I am one—who do not have any great facility in understanding spoken French, but if the translation system is made to work, then I think that meets the need of Senator Roebuck and of us all. I certainly have felt that it was a change for the better having the reading of the speech alternate between French and English, and I hope that practice will continue.

Hon. Mr. Roebuck: That is satisfactory if we are sitting at our own desks where we have the earphone, but this is the first opening of a session in my many years in this chamber when we have sat at our desks. On a full-dress occasion we sit in chairs along the front of the aisle and the ladies are seated behind us, in which case we do not have access to the translation facilities. Therefore, I think my objection stands.

[The Hon. the Speaker.]

Hon. Mr. Cameron: Senator Roebuck is quite right in that respect.

THE SENATE

CHAR SERVICES—QUESTION OF PRIVILEGE

Hon. Allister Grosart: Honourable senators, I rise also on a question of personal privilege which may also concern all members of the chamber.

I should like to call attention to the fact that every day on the way to my office I pass a door in which there is a brass plate inscribed: "Senate Char Service". I do not know what the authority is for this title for these 18 gentlemen and 40 ladies who serve us so well, but I hope that honourable senators would agree with me that it is not in keeping with the concept we have of the services rendered by our friends.

"Char" is a very old word. Perhaps the only thing that really commends it today is the fact that it is a very old Irish word. But even that, in my opinion, would not be sufficient justification for continuing its use in these particular circumstances. Over the years it has become associated with menial tasks, and also relates to "chores", which again suggests repetitious and dull work. Certainly this association has existed for at least three or four hundred years, since Shakespeare's time.

Perhaps on a day when this Chamber has been graced with so much of our Canadian feminine beauty, including Her Excellency, of course, it may not be out of place for me to make a reference to the great Queen Cleopatra, one of the classic beauties of all time. I am sure all honourable senators will recall that in Shakespeare's play *Antony and Cleopatra*, Act IV, Scene XV, Antony dies and Cleopatra, struck to the heart, faints. Her maid rouses her to the inspiring words "Royal, Egypt, Empress!" Cleopatra, quickly recovering from her faint, replies:

> No more, but e'en a woman, and commanded
> By such poor passion as the maid that milks
> And does the meanest chares.

I suggest, honourable senators, it is an ugly anachronism that a word with such associations should be carried forth into this chamber in this the twentieth century. I might add that those who are involved would welcome a change with respect to this personal affront that I have felt when passing that brass plate daily in coming to this chamber. It has

occurred to me that it might be appropriate to bring this matter to the notice of our Internal Economy Committee, to the end that the offending plate be removed and another substituted therefor which would more appropriately describe those who serve us so well. Perhaps the wording could be "Senate Support Staff," because I think all honourable senators will agree that these persons effectively support the work done here.

UNITED NATIONS ORGANIZATION

TWENTY-FOURTH ANNIVERSARY TOMORROW

Hon. Paul Martin: Honourable senators, the Prime Minister informed me this morning that, in accordance with practice, he will tomorrow in the other place make a statement on the occasion of the twenty-fourth anniversary of the establishment of the United Nations. It has been our practice to commemorate this important event. As we will not be sitting tomorrow, I suggest to the Leader of the Opposition that today would be an appropriate time for us in this chamber to reaffirm our faith and confidence in the United Nations, whose anniversary is tomorrow.

As honourable senators will recall, the Charter of the United Nations was signed in San Francisco, in April, 1945. In the light of the many problems that have confronted our world, that now seems a long time ago. Actually, in the course of human affairs, it is not so long. The United Nations has been in existence at least four years longer than the League of Nations. Like the League of Nations, it has not been free of its problems, vicissitudes and criticisms.

The United Nations is truly the successor of the League of Nations. When we think of the League we think of the notable part played in that collective security organization, the creature of the Treaty of Versailles, by a former Leader of the Government in the Senate, Senator Raoul Dandurand.

The United Nations has undergone great changes. It has withstood much legitimate and unfair criticism. Whatever criticisms are its due, they, of course, must be answered by governments and by its Secretary General. However, what is wrong with the United Nations today is not so much the charter; it is not so much the organization itself. That charter is as solid, as substantial, as valid and as useful as ever. What is wrong principally is the intransigence of many of its members who have not lived up to their obligations.

Senator O'Leary, who has spoken about this on other occasions, may invoke a contrary argument and an authority in the person of George F. Kennan. Notwithstanding that, I reaffirm that Canada has every reason to be strongly attached to the United Nations. I state that the responsibility for some of its difficulties should be attributed to the intransigence of some of its members rather than to a weakness in its charter.

As a strong proponent of the United Nations, I deplore the fact that the great issues of our time, such as the Vietnam question, and the problems of the Middle East, are not being resolved in the United Nations. There are reasons for this. In the case of Vietnam, the principal parties concerned are not members of the organization. But it would be folly, in my judgment, in this interdependent world, to lose faith now in the Charter of the United Nations and in the organization.

The Canadian people, I know, support the Canadian Government in its renewed dedication and declaration of faith in this collective security effort.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I believe it is an excellent idea to draw attention to the aims of the United Nations by an annual celebration such as we shall have tomorrow.

Of course, if you consider only Vietnam, the Middle East and Nigeria, it might be enough to cast doubt on the efficiency of that body whose main purpose is to promote, maintain or restore peace—

There is no translation, honourable senators? No. Well, I may then speak in English.

[*English*]

Is there no translation?

Hon. Mr. Croll: No.

Hon. Mr. Flynn: Then, honourable senators, I shall continue in English.

I have just mentioned that when we think only of Vietnam, Nigeria, and the Middle East we sometimes have doubts as to the efficiency of the United Nations organization. However, even in this field of promoting, maintaining, or re-establishing peace, the United Nations has accomplished a great deal. In any event, I would agree with the honourable Leader of the Government when he says that the shortcomings of the organization may be attributed more to a lack of co-operation on the part of certain of its members than to its charter or the principle of the body itself.

At the same time, we should not forget that in other fields the United Nations has accomplished very much. Here I think particularly of UNESCO, UNICEF, the International Labour Organization, and the fostering of co-operation between member states in many fields with excellent results. We can never insist too much on the fact that without the United Nations, even with its shortcomings, the world would be very much more in danger of breaking up.

The honourable Leader of the Government has said that he is satisfied that the Charter of the United Nations need not be changed. When I read the Speech from the Throne I wondered whether the idea expressed there would be in contradiction of his statement.

Hon. Mr. Martin: The reforms mentioned there have nothing to do with the charter.

Hon. Mr. Flynn: We read in the Speech from the Throne:

> After a quarter of a century of radical changes in its functions and membership, the U.N. needs to be revitalized and strengthened. Canada is presenting its proposals for reform to the present session of the General Assembly.

If you touch the functions and membership then I think you touch the essence of the organization.

Hon. Mr. Martin: No, there will be no proposal for change in the charter.

Hon. Mr. Flynn: In any event, this will be clarified, I suppose, when we are told of the proposals for reform which Canada will make at the present session of the General Assembly.

In any event, there is no doubt that after a quarter of a century any organization may need to revise its functions, even its charter. There is nothing wrong with this—if there were, the United Nations organization would be the only body of its kind at the present time which does not need re-examination. I do not know of any situation which is not at present the subject of re-examination. Everything is being questioned today. What is more important is to promote the public support for the principle of the United Nations. Everything that we can do here and elsewhere in this direction is a step towards accomplishing a lot for the peace and the progress of the world. I repeat, even with its shortcomings, it is better to have the United Nations organization than nothing at all, because nothing at all would mean courting disaster.

Hon. M. Grattan O'Leary: Honourable senators, I always think of the Leader of the Government when he speaks as a master of parliamentary plausibility. Since he has mentioned my name and has given the impression that I am somehow opposed to the United Nations, I must say that this is not so. I have not attacked, nor shall I attack now, the Charter of the United Nations. But the unexamined life is unfit to be lived and that applies to institutions as well as to individuals. I think that after 24 years we have a right, indeed a duty, to ask ourselves if the principles of the Charter of the United Nations are in fact being carried out as they should be carried out. I do not believe they are, and I know many responsible, knowledgeable people who share that view. I think it would be far better if on various occasions we examined and felt free to criticize the operations of the United Nations; that this would be more useful and better for the United Nations than the mere repetition of cliches that have gone on over the last 20 years.

Of course we believe in the principles, but how are they being applied? How are they applied with authority or with effectiveness in the case of Vietnam? How have they been applied in Rhodesia, where in my judgment, and in the judgment of many others much more competent to speak, the United Nations administration actually violated the principles of the United Nations charter.

How many people have listened to the words of U Thant about Vietnam? How many have listened to his words about Palestine and the Arab nations? Practically no one. These words are offered again and again. We have these cliches; we have those wonderful sentiments expressed again and again, and the world has ceased to listen.

These are the things we should be talking about, not giving the United Nations a blank cheque of faith. Of course we have faith in that organization, but I think a better word would be hope, hope verified by examination that the United Nations shall through its Secretary General and his administration carry out the charter of that body. I do not believe it is being carried out effectively at present, and that is all I meant. The charter, God bless it, but the administration of the charter, that is something else again.

Hon. Arthur W. Roebuck: Honourable senators, I have never attended a meeting of the United Nations. I have been there, but not when it was in session. I therefore speak with no special authority, but I am inclined to agree with my friend Senator O'Leary, that it is time we examined the whole set-up of the United Nations. I say this not because I am at all a critic of the U.N. as it has existed. In all probability it has done the best it could. It succeeded an organization that failed, and it has at least lived for the last 25 years and exercised some influence, although not nearly so much as it should have exercised.

I remember that when we were debating this question in the other house more than 25 years ago, I criticized the set-up of the United Nations, in which there were two classes of members, one with very much more authority than the other. I remember Mr. King said to me privately that it was necessary to do that in order to achieve the organization at all and to start it working. Certain big countries are given the right of veto over the will of all the rest of the world. That is not democratic. That is autocratic. Those vetoes have been used very much to the destruction of the United Nations Organization, and have prevented it from carrying out the purpose for which it was created.

That is one of the first matters that might well be considered in any reorganization of the charter or the practice under the charter. It should be a democratic organization in which everyone has his say and his vote. The veto of the big powers over all the rest of the members should be abolished. I hope that the United Nations will be strengthened by the discussions that will take place in New York.

I have for a long time belonged to an organization whose aim is to bring about world government. It is an ideal. It is very impractical at the moment, but nobody knows how practical it may become in the years ahead. It is a good idea and I have supported it, knowing quite well that it would not come to fruition at least in my lifetime. I would like the United Nations to be strengthened in that direction so that it will have some authority as well as merely an influence over those who listen and no influence over those who do not listen.

I would like the United Nations to be given some actual authority and the money with which to enforce its sanctions. The organization will never be entirely satisfactory until it has a military force able to enforce its decrees for peace in the world. How its powers shall be used should be clearly defined in the charter, but there should be some sanction behind its decisions. It should be strengthened, not weakened. It should be more democratic in its organization, and it should be supplied with more money than it has had in the past. Also, as everyone who has spoken so far has said, the members of the organization should be more loyal to it and more amenable to its decisions.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report of the Department of External Affairs for the year ended December 31, 1968, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C., 1952.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-2, to amend the Quebec Savings Banks Act.

Bill read first time.

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

Motion agreed to.

DOMINION COAL BOARD DISSOLUTION BILL

FIRST READING

Hon. Paul Martin presented Bill S-3, to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

Bill read first time.

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

Motion agreed to.

YUKON PLACER MINING ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-4, to amend the Yukon Placer Mining Act.

Bill read first time.

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

Motion agreed to.

OIL AND GAS PRODUCTION AND CONSERVATION ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-5, to amend the Oil and Gas Production and Conservation Act.

Bill read first time.

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

Motion agreed to.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-6, to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments.

Bill read first time.

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

Motion agreed to.

FOREIGN INSURANCE COMPANIES ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-7, to amend the Foreign Insurance Companies Act.

Bill read first time.

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

Motion agreed to.

TRUST COMPANIES ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-8, to amend the Trust Companies Act.

Bill read first time.

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

Motion agreed to.

LOAN COMPANIES ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-9, to amend the Loan Companies Act.

Bill read first time.

[Hon. Mr. Martin.]

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

Motion agreed to.

POVERTY

APPOINTMENT OF SPECIAL COMMITTEE—NOTICE OF MOTION

Hon. David A. Croll: Honourable senators, I give notice that on Tuesday next, October 28, 1969, I will move:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the inquiry.

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

SCIENCE POLICY

APPOINTMENT OF SPECIAL COMMITTEE—NOTICE OF MOTION

Hon. Maurice Lamontagne: Honourable senators, I give notice that on Tuesday next, October 28, I will move:

That a special Committee of the Senate be appointed to consider and report on the science policy of the federal Government with the object of appraising its priorities, its budget and its efficiency in

the light of the experience of other industrialized countries and of the requirements of the new scientific age and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) recent trends in research and development expenditures in Canada as compared with those in other industrialized countries;

(b) research and development activities carried out by the federal Government in the fields of physical, life and human sciences;

(c) federal assistance to research and development activities carried out by individuals, universities, industry and other groups in the three scientific fields mentioned above; and

(d) the broad principles, the long-term financial requirements and the structural organization of a dynamic and efficient science policy for Canada.

That the Committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time, to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Aird, Bélisle, Blois, Bourget, Cameron, Carter, Desruisseaux, Giguère, Grosart, Haig, Hays, Kinnear, Lamontagne, Lang, Leonard, McGrand, Nichol, O'Leary, Phillips (Prince), Robichaud, Sullivan, Thompson and Yuzyk.

DIVORCE

APPOINTMENT OF COMMITTEE—NOTICE OF MOTION

Hon. Arthur W. Roebuck: Honourable senators, I would like to give notice that on Tuesday next, October 28, I will move for the reconstitution of the Divorce Committee.

[*Translation*]

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

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

Hon. Paul Desruisseaux moved, seconded by Hon. Douglas D. Everett:

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

To His Excellency, the Right Honourable Roland Michener, Chancellor and principal Companion of the Order of Canada, upon whom has been conferred the Canadian Forces Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

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

[*English*]

He said: Honourable senators, the custom of inviting alternately, at each session, an English-speaking and a French-speaking senator is most commendable, in my view.

It is a good tradition which has both an historical and a practical advantage.

This year I feel most honoured and privileged to have been called upon, as a French-speaking senator, to move the Address in Reply to the Speech from the Throne.

For this I am grateful to the honourable Leader of the Government. I am sure that it will cause no inconvenience here if I make my speech on this motion mostly in French—according to the tradition which has been established—and I hope that the interpretation system is working satisfactorily.

[*Translation*]

Honourable senators, first I take this opportunity to congratulate the Speaker of the Senate, honourable Senator Jean-Paul Deschatelets. He discharged his duties with unfailing dignity during the first session of the 28th Legislature.

I speak here on behalf of all the senators when I tell him how much he earned our

admiration and when I extend to him our best wishes. May he pursue for a long time the brilliant career which has had such a good beginning.

All of us senators, I think, should feel grateful for the choice of such a worthy person, who presided over our sittings with a personal charm and a dignity that never ceased to enhance the quality of our debates.

With the first session of the Twenty-eighth Parliament, there came a new Leader of the Government in the Senate, the Honourable Paul Martin. The Senate was glad to welcome, as the Leader of the Government, a most experienced politician who is also a world-famous statesman. We extend to him our congratulations for his important contribution to the Senate and our best wishes so that he will pursue here, for a long time, a brilliant and fruitful career.

I add on behalf of all honourable senators, that we appreciated the intelligent participation, the unfailing courteousness and the understanding of the Leader of the Opposition in the Senate, the honourable Senator Jacques Flynn and of his assistant, the honourable Senator Lionel Choquette.

Honourable senators, I will make a digression here to express our sorrow at the passing, during the last session, of excellent fellow-workers and colleagues, the lamented Senators Édouard Joseph Thériault, who died on December 20, 1968, Clement Augustine O'Leary, whose death occurred on June 12, 1969 and Gunnar S. Thorvaldson, who died on August 2, 1969. A sincere tribute has already been paid to them in a magnificent way in the Senate. I merely wish to stress here their worthy contribution to Canada and to the Senate. We greatly deplore their absence here today.

We also regret honourable Senator Sydney J. Smith's resignation, tendered on December 31, 1968, following a fruitful career as Speaker of the Senate; that of honourable Senator Cyrille Vaillancourt, on January 3, 1969, whose absence we deeply regret, as we do the resignation of Honourable Arthur L. Beaubien, Liberal Whip in the Senate, who always enjoyed the respect and consideration of senators on both sides of this house, and the departure, on January 5, 1969, of our congenial colleague Senator Norman A. MacKenzie. We have a very pleasant memory of them and our wishes for a long and fruitful life accompany them.

Lastly, I wish to thank the Leader of the Government for the confidence and consideration he has shown me by inviting me to move the Address in reply to the Speech from the Throne.

We are now in the 103rd year of our Confederation. We are going towards our second centennial, in the light of the numerous observations, recommendations and suggestions that were made. We thus satisfy in a way the wishes expressed by a great number of Canadians. During the first session of the Twenty-eighth Parliament, in 1968 and 1969, the Senate was somewhat modernized and revitalized. The Senate took over many duties and, in addition to becoming even more efficient, it spared the taxpayers huge amounts of money in taxes.

For the current session, the Senate has provided for 18 active committees, membership of which is shared among the 90 senators who sit here. In addition, the role of each of those committees has become more important than at any time in the past. Their recommendations, their assessments of other recommendations have been, are and will be invaluable to parliament and could not easily be replaced.

Since my arrival here in July 1966, I have witnessed great functional changes in the Senate. The Senate is leading the way much more than before. We also note that during the session which has just come to a close, 40 bills were initiated here and 44 bills which came to us from the House of Commons were passed. However, I feel that discretion will have to be used so that this house does not become swamped with matters of little importance or which will inevitably have to be dealt with hastily. The serenity of the Senate must be preserved for more complex problems, for more important decisions, and assessments of great bearing and consequence.

Although I like to follow current developments in the political history of the countries of the world, I have been unable to discover in the other senates as many and as frequent examples of functional changes brought about merely by means of an evolving process, without resorting to any change in constitution. We have now right here something which is unique and constructive. It provides the Canadian people with every assurance that their rights, whether they be individual, collective or minority rights, will be protected, with a double safeguard for the fairness and equity of legislative and social measures, the tool to maintain some kind of parliamentary stability in spite of the minority governments they sometimes elect and which tend to multiply during certain periods.

The Speech from the Throne emphasizes, in my opinion, two main points which are of paramount importance for Canada: inflation and national unity.

The Prime Minister of Canada had already warned us all of the urgent necessity of curtailing expenditures if we want to prevent inflation from spiralling up. Let us remember how much he stressed the cutting of governmental expenses in every department and for every project on the board.

Later on, the Prime Minister addressed directly every Canadian. He spoke of the main problem of the moment; the danger of an inflation spiral getting out of control, and he announced the decisions his Government was making to fight it.

In the Speech from the Throne his invitation to the public and private sectors is stressed and we are somehow warned that we have to realize how serious the circumstances are if further restrictions are to be avoided.

The Prime Minister should be congratulated for having wisely considered this problem by implementing drastic recommendations to prevent disastrous inflation. As the head of the federal Government, he wants to give the example to all Canadians, to provincial and municipal governments, and his stand is already bearing fruits.

It seems appropriate to recall part of the Prime Minister's statement of August 13, 1969. He stated that everybody was talking about inflation and that additional measures to fight it had been taken during the year. He said:

> Throughout the country, be it at the administration levels, in business circles or workers groups, everyone is aware that when inflation is not curbed it becomes a threat to each of us.
>
> We also know that certain sectors of the population are particularly vulnerable: pensioners, non-unionized workers, unemployed persons, welfare recipients, all these groups of citizens are worried by the slightest increase in the general price level. As it happens, these people are those who have the lowest incomes. All this shows the tremendous impact of inflation on our policy for fair income distribution.

Concerning the federal Government, he went on to say:

> The best way to understand the nature and extent of the financial problems that the federal Government had to cope with in June last year is to study federal expenditures incurred during the past decade. From 1960 to this year total federal outlays nearly doubled, from $6 billion to $11 billion.
>
> Even if we take price increases into account—inflation strikes the state as well—the rapid increase in expenditures for some activities of the public sector remains astonishing: the amounts allocated for general government services have more than doubled since 1960; the amounts voted for economic expansion have tripled; expenditures for health and welfare programs have almost doubled; the federal Government's share of the cost of higher education is sixteen times as great as it was in 1960.

And, further on, he added:

> From now until 1975, the amounts allocated only to those general services that now exist will increase by 50 per cent approximately; expenditures for External Affairs would double within 5 years; the amounts spent for economic expansion will more than double; while those for health and welfare programs would rise from $2.4 billion to $4.3 billion. The federal share of expenditures for higher education would be four times as great; total federal expenditures would reach close to $17.5 billion in 1974-75; on the other hand, federal government revenue would amount to $15.75 billion.
>
> Therefore, the deficit for that year would total $1,750 million. There would also be a cumulative deficit of $7.5 billion for the next five years. I must add that those forecasts are based on today's dollar, that is the 1969 dollar, and do not take into account the increases to which continued inflation would give rise. It must be remembered also that the above-mentioned figures apply only to the programs already in existence. Any new program, whether with regard to pollution or to regional development, would result in higher levels of expenditures than those I have mentioned.

The Prime Minister cautiously wondered aloud about the possibilities of government action while recognizing the need for urgent measures to correct the situation. The day he made his statement a series of guidelines were issued concerning expenses, with the view, no doubt, of stimulating efficiency in

the administrative services, but also of fighting inflation by putting a "ceiling" on government expenses.

On the other hand, it was decided that programs for regional economic expansion would receive funds, that the various branches of social programs for our needy citizens would be extended, that investments in support of education would be increased, while severe budgetary curbs were imposed in some areas such as transport, communications and government services in general.

At the end of his statement, the Prime Minister said:

> I appeal in particular to the businessmen, the trade union members, those in public office, in short, all those who may exert a deep influence on the future of the economy.
>
> I hope to have shown that we are doing our part, and I expect that they in turn will do theirs. I cannot imagine a better way, in the long run, to ensure the economic and social health of our country.

The Prime Minister of Canada has shown deep insight in the analysis of a most complex problem; he deserves our sympathetic regard for formulating very courageously a series of policies which are already proving fruitful. To fight inflation when some areas are abnormally hit by unemployment is not an easy proposition; there always looms the danger that a concerted trend, thus started, will acquire later on too much momentum in the opposite direction. It will therefore also be necessary to review periodically the progress made and if need be amend, again with as much courage, the current policies, in order not to allow an increase in unemployment, which tends to become chronic in some areas.

Moreover, it seems possible, in the light of recent events, that this will become necessary in the near future. It must be admitted that it is in the economic field, where men clash daily and where civilizations are put to test, that mankind will realize that the conflict can only be settled if people become aware of the endless and ever-widening necessity of a moral constraint.

This is probably what has seemingly prompted the fears shown in the Sixth Annual Report of the Economic Council of Canada.

Shortly after his explanations, the Prime Minister addressed himself on that subject directly to the Canadians and clearly and simply explained the dangers of inflation and the disastrous effects it would have in Canada. Some people then voiced the wish to see and hear periodically the Prime Minister of Canada on television and radio, where he would set forth the problems of the country and outline possible solutions. I quite agree and I do hope that we will soon have in Canada regular fireside chats given by the Prime Minister on any current political and economic Canadian topic.

During the recovery period of the last great depression, President Roosevelt had been admirably effective with his own "Fireside Chats" which were an instant success and which helped to restore confidence in the future, to allay people's secret fears and to stimulate new and courageous efforts of the nation at large.

The Prime Minister's present determination allows us to expect that, in due time, he will be able to ensure the gradual slackening of imposed restrictions and limitations in such a way as not to create greater problems, namely, increased unemployment and deflation that could even lead to depression.

In the field of housing, the Throne Speech states the following:

> ...despite the difficulties of inflation, the objective is to construct one million housing units in five years.

This economic and social measure is most important for Canada. Besides providing low-cost houses for one million families of workers who will become owners, it will give jobs to a considerable number of workers in the construction field. It will also improve the employment situation in the building materials industry across the country. This humanitarian measure is most welcome because it was difficult to get the needed funds at reasonable rates. It will also contribute to the improvement of urban areas.

The Speech from the Throne refers to fiscal reforms. The lack of details makes it difficult to see what their extent will be. Therefore, I think we will have to wait for the bill to make appropriate comments.

The Throne Speech reminds us of the benefits derived from national unity, while reflecting an intense desire to build a strong and productive country, soundly equipped to face the future. This speech also states the Government's intention to defend every Canadian's rights and interests, and the Government's concern about the progress and development of the individual as two inseparable aspects of its mandate.

Many people have seen in it a message of hope, which heralds a concentrated effort

towards national unity in this immense country of ours, made up of numerous minority groups.

This vital issue, of serious consequence for our Canadians, deserves to be brought up again before the Senate for a thorough examination.

As for the unrest among young people, the protest and the violence that have become part of the scene, it can be said I think that in Canada all reasonable Canadians disapprove the excesses to which such things lead.

For many months, the government circles—federal, provincial and municipal—have been discussing unofficially increased violence and vindicative group demonstrations in certain areas of this country.

As a matter of course, responsibility for the disorders, and in most cases for their due settlement, is being ascribed to the federal Government. Some people blame the so-called culprits, but provide no proof or evidence whatsoever.

First of all, I should mention that these things are not purely regional, provincial or even Canadian, but rather international and even universal.

We could draw up a long list of countries where the situation is more serious than in Canada for in our country such instances have so far been sporadic. This naturally does not allow us to renounce our duties or slacken our efforts to check the acts of violence occurring all over Canada.

[*English*]

Canada must nevertheless combat extremism. Rejection of any form of discipline will not build or extend this nation. It would be a poor foundation on the quicksand of bad ideology. Yet, Canada has been paying for some of this nonsense a handsome public grant of a few millions a year. If ever the words "priority of projects" are used, let any organization's or any company's achievement in Montreal or in the Province of Quebec or in some of the other provinces or cities be the guide of our governments in their behaviour and in their generosity.

[*Translation*]

Another step is also about to be taken to bring the main elements of Canadian life closer together. The Government is expected to initiate programs intended to abolish disparities which, in the past, have been responsible for frictions and injustice.

The legislation passed during the last Parliament, which provides for the use of French and English in the agencies and departments of the Government, in spite of the difficulties it might cause, will have historic effects and a significant impact on our country. This is a legislation of emancipation and justice for Canadians which gives Canada a new dimension.

The Speech from the Throne implements the recent interventions made by the honourable senators John Nichol and Charles McElman who so properly emphasized the dangers of pollution in our natural environment and the very serious consequences which could arise from that situation for our people. The Senate is the right place for a thorough study of this current and major problem.

It is most urgent for the Government to take a stand to prevent the overall contamination of water and air in populated areas.

Pollution is a matter which concerns everyone; individuals, companies, municipalities, and the provincial and federal governments.

It is, besides, an international question since our people inhabit a narrow track of land along the boundary between the United States and Canada and we can just as well become affected by the pollution from the American territories—especially from the territory immediately confined to the Canadian boundaries—as we can affect the American territory bordering Canada.

The Government will therefore propose several legislative measures that are essential to prevent pollution in the Arctic seas and will establish also the means necessary to protect the other maritime coasts of Canada. Besides, it asserts to this effect that it will attempt to obtain, at the international level, a service of protection of the oceans against the pollution which, on this planet, threatens so many forms of life.

Despite his intelligence, man is perhaps also in the process of contaminating fruits and vegetables with pesticides and meat as well by injecting chemical products in order to make it commercially more acceptable—this becomes a general practice—but also, as we hear, so much more harmful.

The idea of making an inquiry and senatorial investigations in this field seems to have real value in view of the possible preparation of federal legislation and in order to stimulate federal-provincial meetings and international agreements towards an efficient control of pollution.

This is for us, I think, a prime responsibility.

If federal legislation is to be applied in the whole of Canada, there will be much to do at the provincial, municipal and industrial levels, and even in the United States. This will probably take a few years, in spite of all the wishes that action be taken without delay and in spi e of the justified fears of the evil consequences if nothing is done immediately.

The federal support is timely and should now be welcomed everywhere.

I am of the opinion that this legislative measure on pollution should be formulated with a view to setting up general principles in consultation with the provinces and other interests concerned.

To my mind, federal financing could be limited to such aid as can not yet be provided for by direct sources, to provide for the most pressing works in which our Government is implicated. In existing industrial plants, expendi ures towards controlling pollution could be allowed as ordinary expenses instead of having them capitalized. That being provided, it seems to me the other activities in that field, however attractive they may be for Ottawa, are after all the responsibility and privilege of provincial governments, of municipalities and industries, for any regional action in line with the established national objectives.

Recently, Mr. Pearson, our former prime minister, made a stirring appeal to prosperous countries and to Canada in favour of countries in need of assistance. We have indeed the feeling that our Canadian Government has a special responsibility and that we will have to respond to such an appeal by making a careful assessment of foreign needs in comparison with the difficulties encountered here in Canada.

The financial situation of all Canadian governments, especially that of provincial and municipal governmen's; the tremendous increase of deficits and debts; the already belated requirements of such heavy appropriations to implement some an'i-pollu'ion measures, for instance; the number of underdeveloped areas in Canada and the fact that Canada has still to solve the problem of its 4 million destitute citizens—all these considerations could restrict, from a practical point of view, the reaction our Government would like to create.

There is moreover the extent to which some Canadian industries, such as the textile industry, may have to face competitive products, based on a scale entirely different from that of production costs. The Pearson Report is valuable in that it submits the requests made outside Canada so clearly and urgently that it may result in a substantial increase of better co-ordinated foreign assistance. Its objectives, even though possibly not all fulfilled, will remain objectives that we shall have to preserve.

One could not but expect that Canada would someday have its ambassador to the Vatican. According to the columnists, a number of changes are responsible for the appointment of a Canadian ambassador at this time. We welcome the fact that consideration of the various religions as a basis for political divisions is rapidly disappearing in Canada. The emphasis itself has changed and is now directed towards a more ecumenic spirit and a better understanding of the values and beliefs we have in common.

Concurrently, it is felt more and more that, in the uneasy world of today, multiple diplomatic contacts seem to be the best thing for everybody concerned.

Once again, Canada is taking a step forward in world diplomacy. In the age of fast communications, Canada has repealed as outdated and unimaginative the old practice of refusing to have relations with those who are not understood and of isolating them.

The Vatican has now been recognized as a state for over 40 years. It has gained its territorial independence and has now diplomatic relations with 69 countries.

Indeed, the Canadian government would have put itself in a rather strange position had it actively sought an exchange of ambassadors with Communist China while refusing such an exchange with the Vatican.

One should not underestimate the possible benefits which may result from this exchange of ambassadors with the Vatican.

As one commentator reported, the value of diplomatic relations is something which grows with the years, in situations which are unpredictable at this time, and which can emerge in a troubled world. So, the Vatican, with its ramifications and its world-wide relations, its long experience, and its concern for anything of universal and human significance, has obviously much to offer in the way of diplomatic relations at the highest and most direct level.

In a rapidly shrinking and increasingly complex world, Canada, through its Prime Minister, has acted wisely and in the best interests of the country in deciding to create an increasing number of diplomatic posts, and especially that at the Vatican, which always has free access everywhere in difficult times.

I would like to dwell on another important project of the Government. The review of the Canadian Constitution.

The report contained in the Speech from the Throne points out the progress made at the conference on the Constitution. The last meeting has already given rise to fruitful exchanges. So much the better for Canada. It is to be hoped that the overlapping of jurisdictions between the federal and provincial governments will disappear as much as possible. That is where most of the difficulties crop up, but the task of establishing a new allocation of jurisdictions is still the one which will require the utmost diplomatic skill.

We were glad to have it confirmed that no effort would be spared to ensure the success of the Constitutional Conference.

With respect to labour-management relationships, satisfactory relations between labour and management are of critical importance to our social and economic progress. It is a good thing that government will take a growing interest in the intricate problems of today.

It has become quite urgent to tackle the matter of the disputes that increase by leaps and bounds between labour and management.

Realizing that nowhere in the world is there a magic formula and although it cannot on its own push through broad legislations applying to the whole of Canada the Government will study the report from the task force on labour relations which will be used if necessary as a base to the bill to be tabled next session.

The problem of liquidating Canada's surplus of wheat will receive special consideration. More aggressiveness will be shown in finding out new openings. The Canada Grain Act will be amended and extended so that we may have access to a greater number of markets and that our products may be more competitive in world markets.

During the new session we will be asked to amend the Criminal Code again. This session Criminal Code amendments will be submitted to you that would regulate wire-tapping and other invasions of the individual's privacy, and reform the present law governing detention before trial.

Those amendments will help ensure the respect of individual freedom.

Other remarks might be made concerning those proposed amendments on other occasions.

Honourable Senator Argue has informed the Senate of his intention to advocate the granting of franchise to those of 18 years of age. This is one of the important matters to be found in the Speech from the Throne.

Senator Argue will want no doubt to bring up this matter again. I shall therefore refrain from making any comments for the time being.

Other bills will be introduced, such as an act to establish a corporation for the marketing of freshwater fish, in order to assist the western fishing industry, measures to further help the fishing industry on the Atlantic coast, to create a new department of communications with a view to consolidating the responsibility of the Government of Canada in this field, and several others that I might add.

[*English*]

It will be an eventful session, and it may be said with certainty that Parliament, and in particular the Senate, will accomplish much for the good and the advancement of the Canadian people during the second session.

I am grateful for the courtesy of all senators for bearing with me during this lengthy address in French.

Hon. Douglas D. Everett: Honourable senators, in rising to second the motion for an Address in reply to the Speech from the Throne, I should like to refer briefly to a speech that I made in a similar debate in the last session. I said at that time that the Government had laid the legislative groundwork for the just society. I think the evidence of the last session is that that groundwork was well laid, and that this Speech from the Throne announces a legislative program that will bring about the just society for which this Government received a mandate. Not only has the Government laid before Parliament and the people its legislative program, it has disclosed or proposes to disclose its thinking and future plans in many aspects of the public undertaking. In a form of participatory democracy it proposes to produce for parliamentary and public consideration white papers on external affairs, defence, tax reform, citizenship, social security, information, and postal service.

Honourable senators, I congratulate the mover of the motion, Senator Desruisseaux, who whenever he speaks demonstrates the brilliance that he brings to the Parliament of Canada, and especially to this chamber, on the fullness of his coverage.

Honourable senators, in an effort to avoid redundancy, I propose to deal with only one aspect of the Speech from the Throne, but one that I think will demonstrate the fact that

this is a government of concern, and a government that is determined to bring us a just society. I refer specifically to the Government's concern with regional disparities in Canada. I think I can illuminate that best by dealing with one specific region, the one I know best, the Prairie Provinces of Canada.

What is the position of the Prairie Provinces? We are great natural resource producers. By selling that production in foreign markets we produce foreign exchange—the life-blood of any independent country—to an extent out of proportion to our population. We suffer as a result of that because the prices we receive for our natural resources are subject to world competition. We have a very limited manufacturing industry in the Prairie Provinces, but in buying the manufactured goods that we consume we are subject to a national tariff policy which protects industries mostly located in central Canada. In short, we sell our production in a competitive market, but we buy our manufactured necessities from a protected market.

In addition to that problem, we lack numerical representation in the elected side of the federal Parliament. Out of 265 seats in the other place, the Prairie Provinces only have 45. This does not give us a sufficient bloc of votes, although I hope we have a voice. We also suffer from something that I would like to call corporate disappearance—the tendency of the head offices and controlling agencies of corporations to be attracted by the magnet of Toronto and Montreal, and to move away from the Prairie Provinces.

That, I think, is a fair assessment of the position of the Prairies. When you hear this you may wonder if we are doing so well in the Canadian Confederation. What would happen to western Canada if it separated from the rest of Canada? Immediately it would enjoy a very heavy balance of payments surplus. The foreign exchange earnings, which guarantee a separate country's independence, would be enormous. We could have our own tariff policy, and through that tariff policy we could probably build a fairly healthy secondary industry; but if we chose not to do that, at least we would be able to buy our manufactured requirements at competitive world prices instead of at protected prices.

I think we could impede this corporate disappearance of which we speak if we were a sovereign state. I think many corporations would find it wise to have head offices within the western Canadian region. We would not have to vie with the representation of 45 elected representatives out of 265, to have regional development. We might come out very well, but I say this to you, that is not the feeling in the Prairie Provinces. There is no desire in those provinces to leave Confederation. Rather, the desire is to make a contribution to Confederation. If people tell you that the Prairie Provinces have the wherewithal to leave and are so alienated that they are about to leave, then I suggest to you that you should not believe it.

There is an historical dissatisfaction which probably goes back to the time when those provinces entered Confederation, or even before that. That historical dissatisfaction is exacerbated from time to time by various events. It is exacerbated right now by the fact that we are experiencing grave difficulty in selling our grain. In the course of attempting to achieve a bilingual society, prairie residents were not unmindful of the fact that it appeared that intransigence was rewarded. They thought that maybe they should be intransigent and get the same rewards. I congratulate the Government on its latest initiatives, which make it clear that, while they are prepared to be fair and just in their attitude, they are not prepared to reward intransigence. The people of the Prairie Provinces are concerned but they are not separatists. They want an honest recognition of the contribution they make to Confederation, and an honest concern with their problems.

Honourable senators, I think this Speech from the Throne indicates that this Government has a concern for each of the regions of Canada, and it enunciates that concern in five areas. It talks about the fact that it is going to reduce regional disparities. It states that, despite the fact it is reducing its overall expenditure, it will increase the allocation of revenues to the overcoming of regional disparities. It takes action, and direct action, to improve the marketing of primary resources, which are so important to regions like the Prairies. It undertakes the revision of the Constitution; it also undertakes a direct influence on the corporate community. It does that in talking about the building of a million houses in the next five years, in the White Paper on Taxation, but more specifically in reference to the need for corporations to act as the Government has done to reduce inflation. It states that corporations must follow the Government lead, or the Government will increase the restraints. The last two items are not directly involved with regional development, but they disclose the sort of initiative

that could be taken by the Government to do something for regional development.

This Government is clearly committed to regional development as a part of the just society, I should like to review for a moment what action might be suggested within those five initiatives for the Prairie Provinces and, I hope by reference to other regions, what might be achieved to overcome regional disparities.

In the first initiative the Government wants to reduce regional disparities. I think they could start with the tariff policy. I have heard that one of the ways in which the tariff policy should be handled is to have a regional tariff policy instead of a national tariff policy. I do not believe that is workable. I do not think that could be done. Consideration could, however, be given to a North American free trade area. That would be difficult but it could be made to work, and the benefits would be enormous. In any event, the Government should apply continued effort to the reduction of trade barriers on a multilateral basis, and the Government should investigate every aspect of our industry to see if trade pacts, such as the auto trade pact, are possible.

The auto trade pact was agreed upon in order to put an end, if possible, to the enormous foreign exchange imbalance that existed in the automotive industry in trade between the United States and Canada. The Government said they would create free trade between the United States and Canada if the automobile companies would increase their Canadian production. The result was that the automobile companies were required to increase their production in Canada, and they did. A number of plants were built. Two main plants were built by the major automobile producers. One thing that interested me was the fact that both those plants were built in the central provinces, Ontario and Quebec. Automobiles sold in Winnipeg are not bought from Canadian plants under the auto trade pact; they are bought from plants in Kansas, Minneapolis and Omaha. In short, those two plants built by the automobile manufacturers could have been almost anywhere in Canada. If we are talking about trade pacts, let us make sure that the benefits of the trade pacts are spread across the various regions of Canada.

The second initiative the Government talked about in the Speech from the Throne was that we should allocate a greater proportion of our revenues to overcoming regional disparities. I think that could be done by giving consideration to the regionalization of government undertakings. I am thinking specifically of government departmental regionalization. The Speech from the Throne talks of a Canadian International Development Research Centre. That is a great thing, but I hope that when deciding on the locus of that centre consideration will be given by the Government to all the regions of Canada and not just one or two.

Government purchasing could be put on a wider basis so that the regions of Canada enjoy more government purchasing. If honourable senators do not think the Government could not do a great deal for regional industries by its purchasing, then I suggest they look at the Sears-Roebuck example in the United States and what they have done for regional industrial development through purchasing. The Government could encourage the development of service industries in the various regions of Canada. Today, service industries are providing the greatest growth and the greatest employment of any segment of industry, and the Government is influential in certain areas of the service industry. Service industries do not just deal with people in the community. They are in effect exporters, and can deal with people outside the community. In the areas of tourist development, medical centres such as Rochester, computer centres that can be on line to any place in Canada, or gateway airports, the Government could do a great deal towards the regional development of service industries.

The third initiative the Government talked of was the improvement of natural resources marketing. The development of natural resources should be and is, of course, a real concern of government. We should be willing to pay extra for the foreign exchange that is developed by resource industries. We accepted that theory in the auto trade pact. We are going to hear about our tax policies in the White Paper on Taxation. Our tax policies should encourage development of our natural resources. It may be well and good to say that the natural resource development companies are getting a good deal, but if they do not get a good deal they will develop other countries before they develop Canada. The Government should help fragmented industries that are producing natural resources, and I am talking of farm industry and the fishing industry, with direct assistance. That assistance should be product research in order to make sure that its products are those that are required by the market; marketing assistance; and rationalization of the uneconomic units in that type of industry into economic units.

The fourth initiative is revision of the Constitution. The Government spoke of the fact that it is anxious to revise the Constitution. One of the problems in Canada that makes it difficult to have regional development is the fact that we do not have strong regional representation.

Hon. Mr. Martin: Honourable senators, would you permit me to say that I have to leave the chamber at this time. I think Senator Everett knows the circumstances. I am sorry to miss the remainder of this very important speech, which I think is very creditable as well to the Leader of the Opposition. I hope you will not think me discourteous in leaving the chamber at this time.

Hon. Mr. Everett: Not at all. You are most courteous in informing me of that, sir.

Honourable senators, I was at the point of stating that we do not have good regional representation in Canada. I would like to contrast the Congress of the United States with the Parliament of Canada. The Parliament of Canada is built on parliamentary responsibility. If a person goes to the elected Parliament of Canada he is required, pretty well, to vote under party discipline. If he wants to represent his region he probably does it better or more effectively in caucus than he does in Parliament itself. That is not the case in the Congress of the United States. Because of the division of powers, a man who is elected to Congress of the United States represents his region, and if the administration wants his vote on national issues, it must make sure that it is looking after the requirements of the region that man represents. You may say that is a bad thing, but the Americans have enjoyed a far more pervasive regional development because of that system than we have in Canada. If we are revising the Constitution—I read that the Senate will become an instrument for provincial representation—and if senators, to a certain extent, are appointed by provinces and if the right of veto is reduced to a right of delay, then I think that senators might be far more able to represent their regions and to act in accordance with the requirements of the regions.

The fifth initiative of the Throne Speech was direct influence on the corporate community. It seems to me that something could be done in the area of corporate regionalization. We are seeing in Canada the concentration of the head offices of the major Canadian corporations located in one region, essentially in two major cities. Nineteen out of 20 of the largest Canadian corporations are concentrated in Ontario and Quebec, primarily Toronto and Montreal. Every day companies are moving from the Prairies to Ontario and Quebec, primarily to Toronto. If you ask them why, they say that they want to be where the action is. When they move they not only move the personnel that go with the head office—a major insurance company employs 1,600 to 2,000 people at its head office—they also move all the supporting services, such as lawyers, chartered accountants, advertising experts, public relations experts and all the consultative experts that are required by a major corporation. They say they can do that because in today's communications they can be concentrated in one city or two cities in Canada, but remain in touch with the outlying branches. You can see this in the demise of the importance of the branch office in areas like the Prairie Provinces, and I am sure in the Maritimes. At one time, because of the lack of communication, the regional manager was an important fellow. He was given a policy and he decided how that policy was to be implemented. Today, he is controlled almost day to day, if not hour by hour, by head office through telex, teletype, phone and data transmission, as well as the corporate jet.

The concentration of the head offices is now in Toronto and Montreal. This is hurting and is creating a tremendous drain of brain power from areas like the Prairie Provinces. If you keep on draining out that brain power you are going to wreck these communities. I say that if communication makes it possible for head offices to concentrate in one or two cities, then why does not communication make the antithesis possible? Why cannot the head offices of these major corporations be spread across Canada? If communication is the answer, then surely it matters less and less every day where they are.

I, therefore, suggest to the Government that not only should there be incentives for the industrialization of depressed areas, there should also be incentives for the regionalization of corporate offices.

Honourable senators, I would like to congratulate the Government on the Throne Speech, because I think it really does make the start on the just society. I second the motion for the adoption of the Throne Speech.

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

ENVIRONMENTAL CONTROL

PROPOSED SPECIAL COMMITTEE—NOTICE OF MOTION

Leave having been given to revert to Notices of Motion:

Hon. Alan Macnaughton: Honourable senators, I give notice that on Tuesday next, October 28, 1969, I will move:

That a Special Committee of the Senate be appointed to examine and report upon

(a) the current quality of the Canadian environment and identification of problems of environmental destruction and quality control,

(b) the establishment of a national policy on environmental quality,

(c) the establishment of administrative and research organizations in the federal Government to implement that policy and to integrate and co-ordinate appropriate federal departmental and agency activities towards the achievement of the policy's objectives, and

(d) encouraging the involvement of provincial and territorial governments in establishing a national policy and in developing their own policies in harmony with the national policy.

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place.

SPEECH FROM THE THRONE

TERMINATION ON EIGHTH SITTING DAY

Hon. Léopold Langlois: Honourable senators, I move, with leave of the Senate:

That the proceedings on the order of the day for resuming the debate on the motion for an Address in reply to His Excellency the Governor General's Speech from the Throne addressed to both Houses of Parliament be concluded on the eighth sitting day on which the order is debated.

The Hon. the Speaker: Honourable senators, the effect of this motion is that this debate will end at the end of the eighth sitting day on which the order is debated.

Hon. Mr. Flynn: The debate would last eight days.

Motion agreed to.

ADJOURNMENT

Hon. Léopold Langlois: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 28, at 3 o'clock.

Motion agreed to.

The Senate adjourned until Tuesday, October 28 at 3 p.m.

THE SENATE

Tuesday, October 28, 1969

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, July 23, August 13 and 27, September 10 and 24, October 8 and 22, 1969, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to June 30, 1969.

Copies of By-Laws Nos. 1 and 2 of the Export Development Corporation, passed on September 29, 1969, pursuant to section 16(3) of the Export Development Act, chapter 39, Statutes of Canada, 1968-69.

Report on the Administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1969, pursuant to section 10 of the said Act, chapter 95, R.S.C., 1952.

Copies of Amending Orders Nos. 12, 13, 14, 15 and 16 made by the President and Puisne Judges of the Exchequer Court of Canada to the General Rules and Orders of the Exchequer Court of Canada, pursuant to section 88(2) of the Exchequer Court Act, chapter 98, R.S.C., 1952.

Copies of a document entitled "Court Room Procedure" containing instructions to govern sittings of the Exchequer Court of Canada, adopted by the President and Puisne Judges of the Exchequer Court of Canada on August 13th, 1969.

Copies of Exchequer Court Rules, effective September 7, 1969, made by the President and Puisne Judges of the Exchequer Court of Canada, to ensure compliance with the Official Languages Act, pursuant to section 87 of the Exchequer Court Act, chapter 98, R.S.C., 1952.

Copies of Amending Orders Nos. 11 and 12, dated October 21, 1968 and July 31, 1969, respectively, made by the President and Puisne Judges of the Exchequer Court of Canada to the General Rules and Orders regulating the Practice and Procedure in Admiralty cases in the Exchequer Court of Canada, pursuant to section 31(4) of the Admiralty Act, chapter 1, R.S.C., 1952.

General Order of the Judges of the Supreme Court of Canada, dated April 29, 1969, amending the Rules of the Supreme Court of Canada, pursuant to section 103(4) of the Supreme Court Act, chapter 259, R.S.C., 1952, as amended by chapter 355, R.S.C., 1952, and chapter 48, Statutes of Canada, 1956.

Report of the Postmaster General for the fiscal year ended March 31, 1969, pursuant to section 77 of the Post Office Act, chapter 212, R.S.C., 1952.

First Report on the Operation of the Regional Development Incentives Act from the date of its coming into force until October 20, 1969, pursuant to section 16 of the said Act, chapter 56, Statutes of Canada, 1968-69.

Report, dated July 15, 1969, of the Restrictive Trade Practices Commission under the Combines Investigation Act, relating to the Distribution and Sale of Gasoline and Related Products in the Sudbury Area.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN—MOTION TO PRINT IN MINUTES OF PROCEEDINGS

Hon. Paul Martin moved, with leave of the Senate, that the Report of the Parliamentary Librarian presented by the Honourable the Speaker and laid on the Table on Thursday, October 23, 1969, be printed as an appendix to the Minutes of the Proceedings of the Senate of this day and form part of the permanent records of this house.

Motion agreed to.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

GENERAL CONFERENCE IN TRINIDAD AND TOBAGO—DEBATE ADJOURNED

Leave having been given to revert to Inquiries:

Hon. John J. Connolly rose pursuant to notice:

> That he will call the attention of the Senate to the Fifteenth General Conference of the Commonwealth Parliamentary Association, held in Trinidad and Tobago, from 5 to 18 October, 1969.

He said: Honourable senators, the fifteenth meeting of the Commonwealth Parliamentary Association was held in Port of Spain, the capital of Trinidad and Tobago, between October 5 and 18 of this year. The host was the Government of Trinidad and Tobago, and Governor General Sir Solomon Hochoy presided at the opening ceremony. He is one of the most distinguished men one could meet anywhere in the Commonwealth. I will have occasion to refer to him later.

As honourable senators know, the Prime Minister is Dr. Eric Williams. He was indeed pleased to have the Commonwealth Parliamentary Association meet in this country. He took occasion at the opening meeting to inform the delegates that constitutional changes were about to take place in his country which would probably result in the establishment of a republic.

The President of the Senate, Dr. J. Hamilton Maurice, was also very much in evidence. Senator Maurice is one of the great political philosophers in the C.P.A., and his contribution to the success of the meeting was notable.

The Speaker of the House of Representatives, C.A. Thomasos, known to many honourable senators, was also one of the important personages from Trinidad and Tobago who made their presence felt. Mr. Thomasos, familiarly known to us all as "Tommy", was in Ottawa at the Speakers and Clerks Conference a few weeks prior to the C.P.A meeting in Trinidad.

The chairman of the General Council, the Honourable A. G. Montano, comes from Trinidad and Tobago where he is Minister of Home Affairs and Personnel. I cannot pay adequate tribute to the indefatigable work done by Mr. Montano on the occasion of this meeting and throughout his year as chairman of the General Council of the Commonwealth Parliamentary Association. He is a distinguished, enlightened and, I may add for the benefit of my female colleagues, a very handsome man. He has the added distinction of being married to a Canadian, a very beautiful and charming woman. She performed in an outstanding way during the conference in helping with the social amenities provided for the ladies who were in attendance.

The hospitality of the people was warm and deeply personal. The living accommodation and the transportation and other arrangements were of the highest order. The meetings were held in an abandoned American Army base which was ideally converted to serve the purpose. It was air conditioned, and was equipped with an efficient sound system and other facilities, as good as can be found anywhere in the world.

This C.P.A. meeting was one of the most useful I have ever attended It seemed to me there was more know-how, more understanding and appreciation of the problems of the Commonwealth among the delegates than at any other. I am sure others who attended will be talking about many of these factors.

During the conference the executive committee of the association met several times, and again, in my view, demonstrated its great value to the C.P.A. The Honourable Peter Howson, the leader and the co-ordinator of the executive committee, could not stay for the discussion portion of the meeting because there was an election in Australia in which his seat was at stake, and he had to get back to campaign. But, while he was there, and indeed through all this year, he did very effective work on behalf of the executive committee and the association.

I should like to pay a very special tribute to Sir Frederic Bennett of the United Kingdom delegation, who is the treasurer of that branch, and who has brought to the financial side of the work of the Executive Committee an unsurpassed understanding and knowledge of finance, investment and handling of moneys. I am satisfied, as I am sure everyone within the organization is, that the finances of the association, which are considerable each year, are under excellent control. This is a source of assurance for everyone who has any responsibility for the association.

On other occasions I have alluded to the work of the other members of the Executive Committee, and I shall not do so at this time. I have already mentioned the excellent work done by Sir Frederic Bennett, who is retiring as treasurer. He was elected to the unprecedented office of honorary adviser to the incoming treasurer. I think this meets with the approval of the incoming treasurer; certainly the executive itself approves.

The Secretariat of the General Council was very much in evidence. They had been in Trinidad a number of times during the year. Mr. Robin Vanderfelt, the Secretary General, is indefatigable and his work is indispensible. He had with him Mr. Ian Grey, Editor of Publications; Mr. Fowler, the Finance Officer; and Mr. Louis Marriot, the Deputy Editor of Publications, who comes from the Caribbean,

and other members of their staff. The Secretariat of the host branch, which had a great deal of work to do, was under the control of Mr. G. R. Latour, the Clerk of the House of Representatives.

The meeting was addressed by the Secretary General of the Commonwealth Secretariat, Mr. Arnold Smith, who is well known to many members of this chamber. He is the head of the executive body that emanates from the Prime Ministers' Conference. He talked about the Commonwealth Parliamentary Association in a very reassuring way. He discussed its purely deliberative role. He emphasized the importance of the communication of views between parliamentarians and, hopefully, back in their own countries between parliamentarians and their governments in respect of problems which affect the whole Commonwealth. Mr. Smith emphasized the value of this work. To use his own words, he thought "the Commonwealth could be a greater organization than it is." This is an understatement. I do think that the aims and objectives of the Commonwealth governments and of the Commonwealth Parliamentary Association coincide. If they could be ideally realized, even if they could be partially realized and implemented, it would be good for the welfare and security of the people of the Commonwealth and indeed of the world. The Commonwealth is represented on every continent, with its peoples of every colour, of every culture, race, religion and language. The kind of facility and capacity that there is among its leaders is very impressive indeed.

What I have just said may be borne out by the fact that each year the American Congress sends a delegation, and this year was no exception. From the Senate came Senator Fulbright and Senator Cook; from the house came Mr. Farbstein and Mr. Lloyd. Senator Fulbright has been coming to C.P.A. meetings for many years. He is well know, highly respected and obviously thinks a great deal of the importance of the work that is done at this meeting.

I should like to say a word about the Canadian High Commissioner in Trinidad, the honourable Gerald A. Rau, and of Mrs. Rau and of part of their large family who were there. They could not have done more for the Canadians. They had a reception at their home and invited not only all the Canadians who were available in Trinidad and Tobago but the heads of all the Commonwealth delegations, and of course all the Canadian delegation. I had an opportunity to visit the offices of Mr. Rau and to meet a good many of his senior and junior officials. He is accredited not only to that country but also to three or four other islands in the Caribbean. I wish I could have stayed longer with some of his officers, but of those with whom I spoke I can say that they are very much on top of their jobs and are doing well.

Perhaps for the benefit of the Leader of Government in the Senate I should say that one of the very charming Mrs. Rau's claims to fame is the fact that she comes from Windsor, Ontario.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Connolly (Ottawa West): She is a very charming woman, notwithstanding—

Hon. Mr. Martin: I am sure the honourable senator does not mean that the women of Windsor are not all charming.

Hon. Mr. Connolly (Ottawa West): On the contrary. However, I would like to go back and find out for myself. Whenever I have gone to Windsor, the honourable gentleman has kept me so busy talking to men I have never had a chance really to get acquainted with the ladies. Perhaps he will bear that in mind.

Let me return to my theme. I think that Canadian delegations at C.P.A. meetings are becoming more sophisticated all the time. One of the reasons for the success of this work is the excellent advance briefings. They are given by persons from External Affairs, Immigration, the Canadian International Development Corporation, Agriculture and other departments concerned with Commonwealth affairs. The briefings given to Canadians are, I believe, of an ideal type, and for this reason. We want our delegations to attend, knowing not only what our problems are but having some familiarity with the problems of other countries of the Commonwealth, whether they are big countries, donor countries, developed countries, or developing countries in the equitorial belt, in the Caribbean, in Africa and in Southeast Asia. The kind of briefing we are given is designed to make the Canadian contribution more general, more sophisticated and more knowledgeable than very often emerges from some of the national delegations, who come more concerned—and I do not blame them for it—for

their own internal, economic and social problems. We are thus developing a position, a thrust, within C.P.A., and I think within the Commonwealth too, which is all to the good.

The leader of the Canadian delegation was the Honourable John Turner. He led the discussion in the committee dealing with the problem of youth in revolt. I can say without any exaggeration whatsoever that he electrified that committee. The following morning I was sitting in another committee, because I wanted to do some work there. Senator Fulbright came and sat down beside me. The members of the committee were mainly lawyers talking about some legal institutions within the Commonwealth, and Senator Fulbright said, "This is all very interesting and important, but I am going back to the Turner committee. That's the place where the sex appeal is." After Mr. Turner had finished his speech, a young student within my hearing said, "As long as that young man is alive, John F. Kennedy will never die." This was the effect he had upon a great many of the people there. I thought that was a great tribute to a man. Mr. Turner was called to the Bar of Trinidad and Tobago, a special honour which I think was appreciated by all of the Canadian delegation. He was presented by Senator George Richards, the Attorney General of the country and admitted by the Chief Justice, Sir Arthur McShine. There were five or six of the other justices in attendance at the simple, but very dignified and impressive ceremony.

I am sure that the honourable senators who were in attendance would feel that I had not been faithful to my duty if I did not single out Mr. James Walker for special mention. He acted as leader of the delegation until Mr. Turner arrived from some appointments in Europe. I do not think there is anyone more popular in the C.P.A. than Jimmy Walker. We cannot thank him enough for the way he managed the delegation, managed the working arrangements, managed to get the names of delegates onto the speaking lists and managed to inform the delegates about the kind of performance they were expected to come up with.

Hon. Mr. Benidickson: That is what he used to do as Whip.

Hon. Mr. Connolly (Ottawa West): Yes. He has had some pretty good training.

Honourable senators may be interested in knowing that there were over 60 branches of the Commonwealth Parliamentary Association represented at this meeting. Twenty of these delegations were led by ministers and 18 by presiding officers. Let me just indicate some of the ministers who were there.

The leader of the delegation from the United Kingdom was the Right Honourable George Thomson from Dundee. The Right Honourable Mr. Thomson was the Minister for Commonwealth Affairs. He became Minister without Portfolio after his department was merged with the Foreign Affairs Department. He is now back in charge of a segment of the work that deals with Commonwealth affairs. I know of no more civilized, no more humane and no more pleasant person to deal with than George Thomson.

The Australian leader was Senator McKellar, the Minister for Repatriation. The leader from Malawi was the Minister of Health and Community Development, the Honourable A. M. Nyasulu. From Jamaica, we had the Minister of Youth and Community Development, the Honourable Allan Douglas as leader. From India we were privileged to have the Speaker of the Lok Sabha, Shri Dhillon. I charged him with being of Irish descent, but he said, "You only have to look at me to see that I am not." New Zealand sent the Postmaster General, the Honourable William J. Scott to lead the delegation.

I should put the names of the Canadian delegation on the record. From the House of Commons, I have already mentioned the leader, the Honourable John Turner. From the Senate there were the Honourable Raymond Eudes and the Honourable Rhéal Belisle. Also from the Commons were Mr. James Walker, Mr. Jacques Trudel, Mr. R. R. Southam and Mr. R. Thomson. All of these federal delegates played a very full part in the work of the Conference, not only the speaking in the committees and the plenary sessions, but particularly in working with the delegates from other countries, and getting their points of view and putting the Canadian point of view before them.

We also had representatives from the provincial branches: from Quebec, Mr. Roland Théoret; from Nova Scotia, Mr. Michael Laffin, whose golf needs some improvement, let me say. He was my partner on one occasion, but we won the money. From New Brunswick we had Honourable Robert McCready, Speaker of the Legislature; from British Columbia, Mr. James Chabot; from Alberta, Honourable Anders O. Aalborg; from Newfoundland,

Honourable George W. Clarke; from Prince Edward Island, Mr. Alban Farmer, Q.C.; from Saskatchewan, the Minister of Welfare, Honourable C. P. Macdonald.

The secretary to the Canadian delegation was Mrs. Harwood, to whom we all owe a great deal for a job well done. The secretary to the provincial delegation was Mr. G. Lorne Monkley of Prince Edward Island.

Mr. Alistair Fraser, the Clerk of the House of Commons, was in attendance as an observer, and I think this was a useful exercise for us and for him.

Honourable senators, on June 12 I put the agenda of this Conference on the Senate *Hansard,* and I need not repeat it.

The Canadian delegates spoke at most of the sessions, both plenary and committee, and they did very well indeed. Personally, I took part in some of the committee work, although at the plenary session I had some chairman's duty to perform. I had duties to perform also in connection with both the executive committee and the general council.

In the Committee on the Future of the Commonwealth—where there was a most enlightened discussion—I intervened in connection with a problem which I hoped could be solved by some joint effort on the part of Commonwealth governments and perhaps urged in that direction by delegates to Commonwealth Parliamentary Association meetings. This the problem of mediation of disputes, of crises, as they develop both within and between Commonwealth countries, I referred to such areas as India and Pakistan, and to Nigeria, where efforts of all kinds so far have failed to bring the disputing parties together.

This committee happened to be attended by Mr. Arnold Smith, who has made noble efforts in Nigeria. When there are disputes within a Commonwealth country or between two Commonwealth countries, or perhaps between more than two, there is no reason why the Commonwealth authorities in the countries concerned could not look to other Commonwealth sources for mediation.

I spoke also in that committee on another topic, the responsibility which devolves upon the newly independent countries. I referred to the Canadian experience in this respect, as it developed after the passage of the Statute of Westminster in 1931.

There was some considerable discussion about the establishment of a Commonwealth court. I expressed a view, which could only be a personal one, as far as Canada is concerned. We decided many years ago, although it took us sixty or more years to accomplish it, that our own supreme court would be our final court of appeal. In other words, we had come to the point where developments within our judicial system were such that we could rely on our own courts to settle both public and private disputes.

There are some countries in the Commonwealth where the development of the judiciary is not as advanced as it is in other parts. I put this point of view to the committee—again, it was a personal one—that it may still be desirable for some of the emerging developing countries to continue to use the Privy Council as the court of last resort for their disputes.

Another question raised was the possibility of using a Commonwealth court for the resolution of economic and political difficulties between countries. The personal view which I expressed was one which seemed to commend itself to the committee. It was that mediation by knowledgeable people from one country could be looked to as a method of solving some of these problems. Court proceedings could lead to rigidity and delay in this area.

On the committee which dealt with the Future of Parliamentary Democracy, I talked a bit about the relations in Canada between the executive and the private members, the efforts now being made here to have private members more in communication with government and with its plans and policies. This I know happens within the government caucus. I also referred to the fact that certain research facilities are being made available to the Opposition, particularly in the other place, so that their workload will be lessened.

Contributions along similar lines were made by other countries represented there. In other words, one gets the impression from these meetings that parliament is really in an evolving state throughout the Commonwealth.

The most important debate was probably that on Economic Development. It dealt with marketing, regional groupings and marketing arrangements, the climate for foreign investment, tax incentives, and the need for political stability.

The question of aid arose. The Pearson Report had just been released. There was considerable discussion on various parts of that excellent work. The problems of foreign

exchange in some developing countries are very great. They were aired.

Generally speaking, the people who participated in this debate were concerned with providing a better material basis in all the Commonwealth countries for what is generally described as the "good life"—the material basis on which an intellectual, cultural and moral life could be established in a more effective way.

The focus was on hard facts, on acute problems, many so acute as to encourage a restiveness bordering on desperation on the part of some of the participants. I do not exaggerate the urgency of providing help of all kinds in the "Third World." That urgency, honourable senators, is now, and it will continue for a generation or perhaps more.

What is surprising is the willingness of its spokesmen to attack the problem with reason, with responsibility and with moderation.

It is impossible, of course, to review the full spectrum of the discussions. These may have been summed up by His Excellency the Governor General, Sir Solomon Hochoy, at the opening session, and taken up with seriousness and without recrimination by the delegates. I should like to quote some phrases from what he said on that occasion:

> You meet in a season which can be described as at one and the same time promising, perplexing and disappointing. Promising by reason of the incredible advances which have been made over the recent past years in science and technology...There is always the question mark whether that better life will pervade the entire globe and will benefit all humanity. Perhaps it might be correct to say that one can no longer speak of anything in absolute terms, except the transient nature of man's life on earth.
>
> Perplexing by reason of the manifestations which are almost near universal, provide discontent, dissatisfaction...to threaten established law and order. And ...a strange concept of freedom which seems to disregard the freedom of one's neighbour—
>
> Disappointing...that...it is not yet possible for the comity of nations to evolve an accepted formula to ensure world peace. There is too much of the influence of considerations for material gain and national call at the expense of humanitarian principle.
>
> That discrimination at all levels can be found and regarded as commonplace; ...social justice, which is the cornerstone of enlightened human progress, is more preached than practiced;...in today's modern world, where we boast of a cultural civilization, poverty still walks hand in hand with opulence...that these are matters of deep concern to you is evidenced by your agenda,—

Honourable senators, may I conclude by saying that Trinidad is a beautiful place. By day the sun is brilliant and hot in a clear sky. The nights are soft. Everywhere is the great sea with its snug inlets and its vast blue waters. It is typically tropical, bountifully fertile. Everywhere it is green—verdant green. It is not a prairie. There are ranges of mountains like Canada's Laurentians, lending variety and beauty to the landscape.

There is poverty in Trinidad and Tobago: widespread poverty; but there is, I think, no famine. There is no hunger. And there are fine prospects. Prospects of a better life flow from the pride of these people in their relatively new independence, their determination to develop, their emphasis on training the new generation for the tasks which lie ahead. Their people are cultured and their culture is flowering, in music, in the arts and in athletics. They are a gentle people: gentle in speech and gentle in action; but they are determined. I feel they will succeed in their national aspirations.

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

POVERTY

APPOINTMENT OF SPECIAL COMMITTEE

Hon. David A. Croll rose pursuant to notice:

> That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise; to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;
>
> That the committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;
>
> That the committee have power to send for persons, papers and records, to

examine witnesses, and to report from time to time;

That the committee be authorized to print such papers and evidence from day to day as may be ordered by the committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the committee; and

That the committee be composed of the honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

He said: Honourable senators, the resolution that is being presented here today is in the same form as the earlier resolution when it was passed here last year, except that it incorporates both the papers and the evidence that accumulated in the course of our hearings.

There is one change. There are two new members in the committee. Senator Clement O'Leary was a very valuable member of the committee and was keenly interested in its work. I sat with him on the committee on prices as well as on this committee, and I thought he was a very much under-estimated man. We miss him very much in this committee and sadly regret his passing.

Senator Nichol had other commitments. He tried to arrange his affairs so as to stay on the committee but he could not do so. Senator McDonald will move the appropriate motion tomorrow for replacing these two members.

What I have to say here today is in the form of a report. I think that you would like to know what has been going on in the committee and what progress we have made. I may take a little longer than I should to tell you about these things. However, it is the work of a session and I think that justifies placing it before you on the record. I will indicate to you later that our record is being read.

The Committee on Poverty was established November 26, 1968. The house adjourned over Christmas, and the committee members were appointed on January 23, 1969. There were 18 senators, representing all of the provinces and all shades of opinion in the Senate and in the country.

These senators indicated that they wanted to be on the committee. I was of the opinion that they have a deep concern and a feeling for the poor and that they were dedicated to the undertaking. Some might have looked upon membership as a task, but to the committee it was a challenge. The attendance at the committee was excellent. The questioning was very pointed and rewarding; the members became old hands at the "poverty question". They knew a great deal about it from personal experience.

The Staff Director, Mr. Fred Joyce, was seconded from the Department of Defence and appointed to the committee in February. Three other members of the staff were seconded from Government departments. Four members of the staff are from outside the Government service.

The Ministers of the Government have been most co-operative and understanding and have responded to the request for staff—and I think we have asked for the best. We are now at the point where we need to augment the staff because we are going into further hearings and further calls will be made on the Ministers. I feel that the best people for the kind of work the committee is doing can be found in the Government service.

If we are fortunate enough to obtain more members of the kind that we have on the staff at the present time, it will be to our benefit. I might say that the totally dedicated people we have do not seem to act like staff, but feel that they are part of the committee. They feel that they are participating in a cause in which they believe—a cause they look upon as a great adventure to which they would like to contribute something of value.

We began our hearings on April 22 and continued twice weekly until June 26.

I have in my hand a completely factual document, being a résumé of the activities of the Committee on Poverty, which sets out the names of the organizations which were examined, the names of witnesses and where their evidence appears. I think this will be very useful for senators and others attending future hearings of the committee. With the permission of honourable senators I shall ask that it be made part of the record and appear as an appendix to today's proceedings.

The Hon. the Speaker: Is it agreed honourable senators?

Hon. Senators: Agreed.

(For text of résumé see Appendix, pp. 53-54.)

Hon. Mr. Croll: We held 13 meetings in Ottawa, heard six government departments, 4

government agencies, the Canadian Welfare Council, the Metis Associations of Alberta, Saskatchewan, and Manitoba, in one group, and the Company of Young Canadians. I can perhaps best describe the general theme recurring throughout the hearings in this way: in order to eradicate poverty we need conditions of a stable rate of economic growth, high employment and stable prices. These will not in themselves solve the poverty problem, but they will help in finding a solution. Secondly, there must be a major shift in the distribution of income among Canadians. It may well surprise you when I say, and here I am repeating what is to be found in the record of the Economic Council, that there has been no redistribution of income in this country since 1952. To put it in crude terms, the rich have got richer and the poor have got poorer.

Hon. Mr. Connolly (Ottawa West): Relatively and absolutely?

Hon. Mr. Croll: I think that is right—certainly relatively.

The guaranteed annual income was supported, and it was felt that there should be a government agency responsible for co-ordinating and assembling anti-poverty programs and that poverty should be regarded as a problem in its own right. The community development types of activity are very valuable. As I have said, this is the substance of the evidence heard by the committee.

Now, permit me for a moment to deal with our plans for the future. On Monday next the committee will visit the Maritimes—Halifax and Charlottetown—where we will hear from people in the area. Then we return to Ottawa where we have a meeting with the Economic Council. In the week of November 16 we travel to Winnipeg and Vancouver. After that we plan to spend a week in the Montreal area and a week in the Toronto area, with further plans to visit each of the provinces as time permits and arrangements can be made. I might summarize our purpose as being to look, to see, to hear, to meet and to try to get the feeling of the poor and those people in the community who are interested in the poor.

For 1970 we have 57 firm commitments by national, provincial and private organizations who wish to be heard. There are 20 organizations who wish to present briefs but who may not have to be heard. We have to make provisions for hearing from the provinces and municipalities and we have to call Canadian, American and other experts and social workers. These latter will probably appear by invitation because we may want them to cover special areas. I think you will agree with me that it looks like a very busy year.

In order to contact the poor in every province, two members of our community liaison staff have been across the country twice to meet and visit with them. We think that their involvement is essential because the poor have a role to play and must have a voice in their own destiny. A place must be carved out for them around the decision tables. And, once and for all, if we are going to succeed they must enter the in-group.

This committee has no pre-conceived or pre-packaged solutions; they wish they had. However, they do have views. At this stage they are simply listening and questioning.

At first sight this poverty study seemed like a frightening undertaking. After the hearings progressed it became merely formidable; now, although we have barely scratched the surface, we can see some daylight. Attitudes have changed since we began that lonely odyssey with the committee. We are now reaching bandwagon proportions. I think the poor can take heart.

But, honourable senators, what are we doing that is different? We are the first body to view our poverty and welfare systems as they affect the people of Canada in totality. We identify the people who are in poverty, not as statistics and not as a percentage of the population but as people who bleed, people who are ordinary human beings. We ask the Canadian people to meet them because we are sure they will recognize them. Some of them will be neighbours, some will be friends, some will be relatives and some will be children who play with their children. For this reason we think they will be very much concerned.

Let me give you a clearer picture. The welfare state was born during the depression in the 1930's. The economic system had lost its footing. There was a great emergency and improvisation measures had to be taken. The existence of unemployment on so vast a scale and the suddenness of the impact marked the end of an era in which social services were designed for social delinquents. It was the beginning of a new day in which the resources of the community and of the nation were made available to all as of right. The federal Government began to make contributions to relief and welfare in 1930, and this in

turn was followed through the years by a great number of social measures and programs intended to assist those in need. But they did not work out that way. It may well be that we dealt with the problem on the wrong basis by having at the beginning a means test. In my view the social measures we have in our country are far superior to those of almost any other country in the western world. Yet, somehow or other, they have not done the job they were intended to do. Let me indicate how we just missed the boat. It took us 36 years to get rid of the means test, which was a mean test because it stripped the applicant of nearly all his worldly goods, his dignity as a person, and left him without reserves, to be blown off his feet by the first ill wind, and so he bounced in and out of the welfare office.

The passing of the Canada Assistance Act in 1966 was another watershed. The means test was abandoned, and in its place the needs test was accepted. But, this was 36 years late. It was late in the day. By this time welfareism had so regenerated and perpetuated itself that poverty had become the end product. The welfare system cannot be written off as a complete failure, far from it—just a failure.

The poor man who entered the welfare bureaucratic box is processed. He goes through a needs test administered with a means test implication. He is given a number. He is given a file. He becomes a client, and nobody likes to lose a client. This is the beginning of the poverty cult.

The challenge of poverty came in the Fifth Annual Review of the Economic Council of Canada in September 1968. The Senate accepted the challenge within a month, and hearings commenced in April. We were wondering during those hearings if anybody was interested in the proceedings, and if anybody was paying attention to them. The press throughout the country gave extensive coverage to the hearings, but TV was too busy covering the separatists in Quebec to have any time for us. National and other organizations began inquiring if they could be heard, and able, intelligent, and knowledgeable witnesses from the various departments submitted well prepared briefs for consideration and were subjected to exacting questioning before the committee. These were serious people giving serious thought to a serious problem, and they did their best to be helpful. There were a few who did not take their task too seriously, and we raked them.

[Hon. Mr. Croll.]

We printed a thousand copies of our proceedings, and almost before we knew it that supply had been exhausted. It came as a bit of a surprise when we found it necessary to re-order. It gave us an indication that somebody was reading our proceedings.

Then, all of a sudden—and these are things that cannot be predicted—poverty came alive as a political issue. At the highest level the leaders of the political parties of this country initiated discussions, and this time it was not pious platitudes. They offered solutions which were far-reaching, imaginative, and realistic. They talked of the guaranteed income in understanding terms. To my recollection it was the first occasion in peacetime upon which there was a total concensus of all political parties on any problem. I am certain they mean exactly that, when they say they want to do their utmost to eradicate poverty.

So what began as a committee dialogue blossomed out into a national debate, and no political party can drop from its top priority program the solution to the problem of poverty. A solution must and will be found.

The Canadian Congress of Labour, the Canadian Chamber of Commerce, and the various churches have spent much time recently assessing their positions, and defending their values in the social structure of the land. From everything we have been able to gather so far, there are no easy solutions and there are no cheap solutions. But, it is also evident that we can break the back of poverty without breaking the back of our country, though we may strain it a little.

Honourable senators, in speaking of poverty I should like to define it for you. It is not easily defined, but we took some pains to get a knowledgeable definition. It seems to be an accepted procedure in this day and age that before problems can be adequately solved they must be defined. When one gets around to attempting to deal with a problem as broad and complex as poverty, there seem to be as many definitions as there are people attempting to frame a definition.

In his book *The Affluent Society*, former Canadian John Kenneth Galbraith said:

> People are poverty-stricken when their income, even if adequate for survival, falls radically behind that of the community. Then they cannot have what the larger community regards as the minimum necessary for decency; and they cannot wholly escape, therefore, the judgment of the larger community that they are indecent.

Miss J. R. Podoluk of the Dominion Bureau of Statistics—she is one of their specialists—has a more easily understood definition. She claims that if a family spends 70 per cent or more of its income on food, shelter and clothing it is at or below the poverty line. Included in this definition in 1961—and I will bring you up to date in a minute—would be individuals with incomes of less than $1,500; families of two with incomes of less than $2,500; families of three with incomes of less than $3,000; families of four with incomes of less than $4,500, and families of five or more with incomes of less than $5,000.

The Economic Council, when it appeared before the Committee on Poverty last spring, accepted that definition, but it updated Miss Podoluk's figures which were based, as I told you, on 1961 data, and came up with a 1968 poverty line. They simply adjusted for the increase in prices over the seven-year span, and established the 1968 poverty line at $1,800 for a single person, $3,000 for a couple, $3,600 for a family of three, $5,200 for a family of four, and $5,800 for a family of five. What they did, roughly, was to add $300 to the income of a single person, $500 to the income of a family of two, $600 to the income of a family of three, $700 to the income of a family of four, and $800 to the income of a family of six and more.

Professor Emile Gosselin of the University of Montreal used a different scale. He defined a family of four in Montreal with an income of less than $2,000 as living in misery, with less than $3,000 as living in poverty, with less than $4,000 as living in privation, and with less than $5,000 as living only on marginal existence.

Hon. Mr. Martin: Does he give the numbers with those incomes in that city?

Hon. Mr. Croll: No, but we have them in our records. It is a rough situation in Montreal. None of us on the committee wants to leave the impression that poverty is a problem of inadequate income only. I will cover that in a few minutes. It is much more than that. It is employment, it is education, it is training, it is housing and health, it is environment and it is incentives.

In the spring and summer, very early after we established the committee, Dr. James Cutt of York University, who in my view is the ablest authority in Canada on the guaranteed income, and Dr. Philbrook, a sociologist on our staff, made a study in depth of the American poverty programs. This study included the guaranteed income experiment in New Jersey which has been conducted by the University of Wisconsin Institute of Research on Poverty and which is composed of 78 nationally recognized professionals. This experiment is a three-year program involving a thousand working poor families in Trenton, New Jersey. Both Dr. Cutt and Dr. Philbrook spent some time in Washington, where they met and conferred with top officials at the Office of Economic Opportunity. I want to express a word of thanks to our labour attaché in Washington, Mr. Patrick Conroy, who was instrumental in opening the Washington doors. Two reports of these visits are now in the hands of the committee. We await the final one, when all reports will be presented to the committee at a public hearing. Edwin R. Black, director of research for the Conservative Party, and Marion Bryden and Desmond Morton, who have done research on the guaranteed income for the N.D.P., will be invited. We anticipate that they will accept, and present their reports to the committee about the same time that the reports are being presented by our own staff.

Hon. Mr. Lamontagne: What about the Liberals?

Hon. Mr. Croll: They are practising it; our problems, serious as they are, are not comparable to the American problems. In the United States they have special areas of concern which happily do not exist in this country. Do not belittle what the Americans are doing. They are applying brains, effort and vast sums of money to solve their problem. They have had some successes and some failures. Two lessons stand out from what you know and what our reports indicate. Money alone will not solve the problem, but let me finish the sentence: until we find a substitute for money, it will be number one on the need parade.

The second point is that the longer you put off dealing with a problem which so intimately and adversely affects the well-being of a large number of human beings, the less likely it is that you can control or solve that problem through normal remedies. If we deal with ours in good time, as we are doing, the problem is soluble. If we do not and we say that it cannot happen here, then we are fooling ourselves. We must learn from their mistakes. They waited too long; they did not proceed with all deliberate speed. What a price they pay! Today they live in seasons of

discontent, and what the future holds for them nobody can foretell.

Let me get down now to the more realistic aspects of it, something that you will recognize easily. The guaranteed income is an idea whose time has come. Let me quote to you from the final report of the Special Committee of the Senate on Aging, presented to this house in 1966. Recommendation number one reads:

> The committee endorses in principle the institution of an income guarantee program for all persons aged 65 and over and recommends to the federal Government that this proposal be given immediate study.

This was an historic breakthrough. It was not just giving money, but a new set of values. This concept of the guaranteed income was born in this chamber. We gave it life; the Government gave it form, substance and status by recognizing it as a social right. The people liked it and accepted it. What it gives is universal payments to all those over 65 based on income and permitting an income supplement. It has within it an incentive and a cost of living provision. I am reminded of the words of the moon man—one small step for the aged, one great leap for the poor. Today we find ourselves with bandwagon support. That stems from dissatisfaction with the existing welfare.

Witness after witness made the point that welfare has been ineffective to alleviate poverty. In fact, it tends to keep people in poverty. Already there are in our country men of good will, intelligence and high office arguing about details on the mechanics of administering the guaranteed income. Some want it one way, some want it another way. I believe the Canadian people just want it. I tell honourable senators now that we cannot piggy-back the guaranteed income onto the present welfare structure or we will have an uncontrollable monster at a horrendous cost. When the guaranteed income is adopted, some of the maintenance programs must go but the services must continue.

It is well to understand the history and habits of one's country. Traditionally, social programs sold to the Canadian people have been on the basis of a foot in the door. A reasonable proposal was made, they understood it and accepted it, and when it had to be built up they went along with it. There is no use attempting to sell the idea of a guaranteed income until the Canadian people can understand it. The way to enable them to understand it is to point to the fact that it is in existence now; it has been accepted by them. What we are really discussing is not the guaranteed income but the extension of the guaranteed income to the needy.

Let me take a moment to show what it is doing now. There are 1,525,142 old age security recipients, of whom 785,000 receive the supplement; just over 474,000 receive the full supplement and 310,000 receive only the partial supplement. For every $2 they earn they are allowed to keep $1, which seems to be a reasonable incentive.

What the committee must do is to find and present a plan for a generation, to ease poverty today, to correct it tomorrow, and to phase it out the day after at an accelerated tempo. Some honourable senators will have seen the most recent reports of the Dominion Bureau of Statistics. In the year 1967 there were 840,000 families, consisting of three million people, below the poverty line in Canada.

I said earlier that our approach is somewhat different from approaches that have been made at other times, although the problem has never been studied in its totality as we are expected to do it. What we are asking is: who are they, where are they, how did they get there and why did they get there? We made a preliminary classification for discussion and identification purposes. Let me introduce them to you. They are the disadvantaged people, about whom I will say something a little later. They are the blind, crippled, aged, pensioners, and mentally disabled, comprising approximately 10 per cent of the poverty load. The female head of the family group, including the widow, the divorced, deserted and legally separated, comprises 15 per cent of the poverty problem. The hard core comprise 5 per cent. The working poor are 65 to 70 per cent of the problem. I believe the Economic Council put that figure at 50 or 55 per cent.

Let us for a moment take a look at the disadvantaged, the blind, the crippled and the others I have defined. These people are no longer in the mainstream of labour, but they could be in the mainstream of life with adequate income support and services.

The female heads of families with dependent children form an important group in our country. What is not appreciated is that from the evidence even now before us women are discriminated against on the basis of sex, pay and promotion. They earn only half of what men in similar positions earn. They may not

be a very large group, but their young dependent children number 200,000 to 250,000 and we have to consider them.

The working poor are the guts of poverty in this country. They are the unskilled, unlettered, unorganized, unrecognized and unheard. They work full time, they work part time, they work seasonally, they work any time, 50 weeks of the year, eight hours a day or more, for minimum wages or less, from $1 to $1.30 an hour. They are well below the poverty line. Many of the wives work part time. They send the children out to work early in life. The families live poorly, always on a minimum existence. In every province but one in this country the men in this group can do better on relief than they can by working for these wages, and yet they choose to work. We hear much talk about their not being willing to work. Nothing the Economic Council can find out about it and nothing I have heard from any authority justifies that allegation. I tell honourable senators now that these people are working. In three provinces municipal labourers of more than four years standing draw so little that their income is below the poverty line. Work it out for yourself. It is very easy. I will not name any of the provinces. If he works 2,000 hours and receives $1 an hour he is not going to visit Florida very often. In a few minutes I will say a little more about that.

Let us deal with the hard core. As I said, almost 5 per cent of the problem deals with the hard core. These are not only disadvantaged people, they are deprived people. Some of them will not work and cannot work and some say that the country owes them a living. They are misfits and emotionally disturbed, some below average intelligence. That is really a toughie. I do not know what the answer is, but there are children and families involved. There are very often women involved, and from what we can find when things go rough in the home the woman bears the greatest burden.

What are we doing about it at this moment? In the course of our hearings matters of concern arose that could be helpful to some of these people. For instance, we discussed the matter of sickness insurance. It is almost a catastrophe when a poor man who is working for $1.25 an hour is sick for two days or loses two days. The loss of earnings in countries like Australia, France, Sweden and the United Kingdom, which have good social measures, are covered. Under sickness insurance persons would draw from 65 to 70 per cent of their average earnings. The same is true for maternity benefits. The same 65 countries have that also. For two weeks they can draw 62 per cent of their average earnings.

When you ask questions, you do not know what kind of answers you are going to receive. First, I want to make sure that my position is clear. I am of the school of Pearson with respect to foreign aid, and I have some witnesses here—the Speaker, who was chairman, and Senator Leonard, if he were here—do not misunderstand me. When they came and informed me about the 65 countries, I said, "Would you mind getting me the list?" and they got me one. I find that of the 65 countries in the world that have what they call sickness and maternity programs, 23 of them receive foreign aid from Canada. I do suppose that these people who need bricks and mortar to build up their country, have a high regard for the individual and his needs. We might well give serious consideration to sickness and maternity insurance.

We heard evidence on taxation—I am not covering this subject, but merely calling it to your attention. Anyone who has taken the trouble to read the Carter Report will note that he said the poor people pay proportionately more than their share, and he proves it by tables. The Sixth Review of the Economic Council says this:

> The majority of the poor contribute more to general tax revenues than they receive in the form of government welfare expenditures.

These poor are complaining that the system keeps them poor. You know, they have got something, because they have really been neglected. The man who draws $4,200 and who has four children, we say is within the poverty line. He pays taxes of $220 in addition to the indirect taxes. Any man who earns less than $5,000 a year, according to the Carter Report, pays a disproportionate amount of total taxes.

I am not going to say much about minimum wages, except that minimum wages are poverty wages, and a great number of people work below them. The women's minimum wages are almost shameful. Sometimes you wonder why I speak so glowingly and favourably about unions. The unions walk the picket line in order to avoid the poverty line. You do not find them in the poverty group—unemployment insurance originally alleviated

hardship resulting from temporary loss of earnings.

I am delighted when I read the report of the interview of the minister who says that they intend to raise the unemployment benefits and extend the time of benefits as well as the coverage, and to transfer the system to a more broadly based income maintenance program. Those are not my words. Those are the words of the minister, and they really raise one's hopes. This could mean that there will be a new tax on the rich for the benefit of the poor. I have already told you there has been no redistribution since 1952; maybe we will now have some sort of redistribution.

Here we are with a plague, the plague of poverty, and we have all got to get into it and fight it until we win. We have to establish an income floor for the working poor. It has to be done, and you can see what it can lead to. I think it will lead to a self-funding scheme which will not cost the Government a penny except for administration. The Government of tomorrow may not only take responsibility for income maintenance, but also for employment. There are a great many possibilities and once the Government enters this field they will not want to build up a group of lotus-eaters, but will make it their business to find employment for these people or give them income maintenance.

I am nearly to the end. I do want to say just this: administration is the great problem bothering us. What we need is a scheme that is an easily understood administrative system that must be national in scope, with maintenance from the federal Government and services from the provincial governments. At least that is our thinking at the present time. I know there are people around the country playing with figures, telling you how much they surmise the guaranteed income will cost. I can add too and I can subtract; that is not beyond me. They do not know how these things are done. Sure, if you put it into effect tomorrow it would cost those fantastic sums of money, but that is not the way we do things in this country, as I have indicated. We who were in politics longer ago than yesterday know that we have our priorities.

I said a few minutes ago that there are three disadvantaged groups who are totally in the hands of the Canadian people. For the moment that might have a priority, and it is not so expensive. In so far as the working poor are concerned—and these present the deep problem—there are ways to help them without putting a heavy cost on the Treasury.

[Hon. Mr. Croll.]

Canada is one of the few countries in the world which has the means to tackle poverty, its slums and its ignorance. I am satisfied that Canada has the will. Welfarism started in this country in 1929. It is now 1969. For forty years we have been wandering in the wilderness of welfarism. I think I can see the Promised Land.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Croll, seconded by honourable Senator Roebuck, that a special committee of the Senate be set up . . .

Some Hon. Senators: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Grosart: On a point of order. I ask that the motion be read, that its reading not be dispensed with.

The Hon. the Speaker: When I ask if I may dispense with reading, it means that I am asking if there is unanimous consent. If there is not consent, I will read the motion. It is:

> That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;
>
> That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;
>
> That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;
>
> That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;
>
> That the evidence taken on the subject during the preceding session be referred to the Committee; and
>
> That the Committee be composed of the Honourable Senators Belisle, Carter, Cook, Croll, Eudes, Everett, Fergusson,

Fournier (Madawaska-Restigouche), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. A. Hamilton McDonald: Honourable senators, I should point out to the house that this morning a meeting was called of the chairmen of special and standing committees in an attempt to discuss some of the problems we ran into regarding committee meetings during the previous session.

The sitting of committees while the Senate is in session was one question which was discussed. I would like to refer to that paragraph of honourable Senator Croll's motion which deals with the committee on poverty sitting "during sittings and adjournments of the Senate". In my opinion, two interpretations can be placed on the wording "to sit during sittings and adjournments of the Senate."

Some people argue that to sit "during sittings" means that the committee may sit on a day when the Senate sits but does not mean that it may sit while this chamber is in session. Others argue that the meaning of the phrase "to sit during sittings" means that a committee may sit while the chamber is actually in session. This has led in the past to some argument and some confusion.

However, this morning at the meeting held with the chairmen of standing and special committees, a proposal was made which states as follows—and I will read from the notes which were taken during that meeting:

> That Senate committees, standing and special, be not given a blanket power in their terms of reference to sit while the Senate is sitting, with the understanding that exemptions can be negotiated to accommodate exceptional circumstances when they arise.

In the discussion which took place prior to the agreement on the statement I have just read, we all appreciated that there are extenuating circumstances, especially when special committees are sitting.

Some of these difficulties have been brought about by the fact that when witnesses are asked to appear before a special committee—most of them are not subpoenaed but are requested—sometimes it is most difficult to have them appear at a set hour on a set day of the week. Consequently, the committee members must arrange their work so that they are available when a witness finds it possible to appear before them, either in Ottawa or in other parts of Canada.

Of course, as regards the motion we are dealing with now on the Committee on Poverty, there will be many extenuating circumstances. I believe that the leaders of the two groups in the house can co-operate with the chairmen of both special and standing committees to meet the needs of the chairmen and of the committees generally, and I object to giving blanket power to any committee to sit while this chamber is in session.

I believe that in extenuating circumstances when it is necessary to grant them the right to sit for a day or two days or perhaps two weeks when the house is in session, this can be worked out.

The problem in the past has been that if blanket power is given to the chairman of any committee to sit while the house is in session, a chairman of another committee will seek to do the same thing. We had the experience on many occasions in the previous session of this chamber being very sparsely attended—not because senators were absent without reason, but because they were working on committees which were sitting while this chamber was in session.

I believe we can accommodate the chairmen and our committees by negotiating the times when they can sit while the house is in session. I believe that we should follow the recommendation of our chairmen of committees made this morning, that we should not give blanket powers to committes to sit while the house is in session.

Hon. Allister Grosart: On that point, I call to your attention that we have new rules in the Senate, and that Rule 76(4) reads:

> A select committee shall not sit during a sitting of the Senate.

We also have another rule which requires any motion to set aside our rules, with leave, to state "the rule or part thereof proposed to be suspended". The rule requires that that be "distinctly stated".

It seems to me that in many ways we have developed a certain casualness about our rules. I suggest that if we keep our rules we will not get into the situation where it is taken for granted that we are going to do certain things—as in the situation a short

while ago where we were about to pass a motion, I presume, without even hearing it read. That is why I asked that it be read, as I wanted to know what the motion was.

I suggest that, in its present form, the motion is quite out of order because it does not conform to our Rule 3. The question, honourable senators, is simply this: Now that we have new rules, are we going to abide by them or not? I suggest that in its present form the motion before the Senate is out of order because it is conflict with Rule 3, Part I, page 2 of our Rules.

The Hon. the Speaker: Honourable senators, I have read the motion. The honourable Senator McDonald objected to a certain power asked for by this motion, and now the question has been raised that this motion is in conflict with one of our rules.

I am not in a position to decide immediately on the matter raised by the honourable Senator Grosart, to the effect that the motion as read would be contrary to our rules. I should like to take time for a second look before coming to a decision, perhaps later today or tomorrow. In the meantime, with the permission of the mover and other senators, could we allow this order to stand so that we may reach a concensus which might clear the difficulty we are facing? I should like to hear from other honourable senators.

Hon. Mr. McDonald: Your Honour, I am probably out of order by rising again, but with permission I should like to clarify my position.

We have two motions on the Order Paper today which were placed there prior to the meeting held this morning. With respect to Senator Grosart's statement this afternoon regarding Rule 76(4) and Rule 3 of Part I, he is quite right that we are going against our rules as passed by this chamber during the last session. It was my hope that no chairman in the future would bring in a motion drafted in the wording of the two we have before us at the moment. So far as I am concerned, I am prepared to accept those two motions, but I would hope that it would not happen again.

Hon. Arthur W. Roebuck: Mr. Speaker, I should like to point out that so far the Senate Committee on Poverty has held many meetings and has done a wonderful job. As I remember, it has never encroached upon the time of the Senate. Practically speaking, we are risking nothing. I cannot speak for the chairman, but I am perfectly satisfied that if the committee ever sits while we are sitting in the chamber, it will be by arrangement with the Leader of the Government side and probably with the Leader on the other side as well.

We are taking no chances in passing this motion as presented. Furthermore, when one considers the importance of the work being carried on now by the Committee on Poverty and by its chairman, it becomes evident that we can waive any technical rules in order to allow the committee to continue as it has done in the past.

The Hon. the Speaker: Honourable senators, I bring to your attention Article 76(4), which reads as follows:

> (4) A select committee shall not sit during a sitting of the Senate.

That is the general rule. Rule 3 in Part I of the Rules, reads as follows:

> 3. Any rule, or part thereof, may be suspended without notice by leave of the Senate, the rule or part thereof proposed to be suspended being distinctly stated.

It is my contention that, under subsection 4 of Rule 76, a select committee shall not sit during a sitting of the Senate unless by leave of the Senate. I interpret that to mean with the unanimous consent being granted by the House.

Having said that, let me repeat that I think the matter should stand at least for a few hours in order to give us the opportunity to do some further research into the problem.

Hon. Maurice Lamontagne: Honourable senators, may I say a few words concerning this matter?

If this rule is already in force, as I suppose it to be, I, as Chairman of the Senate Special Committee on Science Policy, am probably the greatest offender against it. I should, however, like to point out that the Senate will do its most useful work in the future, as it has done recently, through its committees; not through debating in this chamber day after day. We have to plan our work so as to answer the big questions of the post-industrial society as we see them, as Senator Croll has seen them, and as my colleagues on the Special Committee on Science Policy have analyzed them. I think that is the best use that the Senate can be put to in future. That is my first point.

My second point is that those who are chosen to be members of these committees have to

work day after day. If they cannot sit while the Senate is sitting, and if they have to sit on Mondays, Tuesday mornings and Fridays, I do not think that the work assigned to them will be done properly. I am quite sure that the Special Committee on Science Policy could not have done so much or accomplished the progress it has, if we had not been able to sit during sittings of the Senate.

The Committee on Science Policy is not going to interfere further with the work of the Senate, because now we will have to write a report and we can meet at night. But I think that by adopting the attitude that it would seem we are about to adopt, judging from what has been said here, we are weakening unduly this new role of the Senate, this new usefulness which will affirm itself through committee work and not through debating here in the chamber.

Hon. Mr. Grosart: Before the Leader of the Government rises, I believe that under the rules I am entitled to make an explanation of the position that I took.

I was only suggesting that we observe our rules. I was not in any way discussing the substance of the debate which subsequently developed. I was not saying that committees should not ever sit when the Senate is sitting. The whole point on which I rose was merely that if we have rules, let us keep them.

In this particular case all that was necessary was that the mover of the motion in respect to the Poverty Committee state, as our rules require, that in doing so he is proposing that Rule 3 be suspended. That is all that is necessary for the senator to do in order to bring this motion within our Rules.

Hon. Muriel McQ. Fergusson: Honourable senators, I wish to make a short contribution to the discussion of this topic because I do not think it is desirable to have this chamber as empty as it was many times last year.

I would like to point out to honourable Senator Lamontagne that there have been occasions when senators who were dedicated to the work which they felt they must do, attended committee meetings on Mondays and Fridays. This was the situation in dealing with the work of the Divorce Committee. It may not have been in your opinion an important committee, but it was work that was required by the Senate, and for years many of the members of that committee attended not only the normal sitting days of the Senate but on Monday and Friday as well. I am saying this to point out that the work can be done if honourable senators are interested in the work they are doing.

Hon. Paul Martin: Honourable senators, we are grateful to Senator Grosart for raising this question, not only because he has correctly pointed to the purport of our new rules, but because he enables us to examine, as we should, a problem that has been of concern to those who have to organize the business of the Senate. This discussion can take place without trying in any way to derogate from what Senator Lamontagne has said about the very important work in the field of his inquiry.

Our task is to reconcile our legislative responsibilities, for we are a house of sober second thought, with opportunity for making contributions in the field of inquiry. No one wants to restrict the work of any committee. Certainly, as I listen to Senator Croll, I am sure none of us would want to restrict the important work which the Committee on Poverty has undertaken. Nevertheless, we do have responsibilities in this chamber. One of the historic functions of the Senate, indeed one of the conditions under which Confederation came into being, was that the Senate would discharge certain functions in its legislative capacity. We cannot shrink from that responsibility. None of us would wish to do so. We have to reconcile that responsibility with the obligations that confront the chairman, particularly of a committee as important as that on poverty.

I agree with Senator Grosart that rules are made to help us to dispatch our business in an orderly way. It would have been an idle effort to have spent all the time last year in Senator Molson's committee if we were to disregard the rules. But the fault is not that of Senator Croll. Perhaps it is my fault, inasmuch as I did not draw attention to Rule 76(4) and also to the enabling provision in Rule 3. I think it is well that we should provide in our Rules that "A select committee shall not sit during a sitting of the Senate" as a statement of principle.

As honourable senators are aware, we had situations last year that were very difficult. We had a vote in this chamber which I am sure did not represent the concensus of the views of the Senate. The vote was taken when there was barely a quorum present and when members were engaged in three committees of this house which were sitting simultaneously. Two of those committees

were special committees to whom had been extended the privilege of sitting while the house was sitting. In this chamber we do not sit many days in the week to discharge our functions as a forum. Normally, we sit Tuesday afternoon and evening, Wednesday and Thursday afternoon and sometimes Thursday evening. Therefore, it seems to me that we can do our work in the committees and our work in the Chamber if we have an understanding between the committee chairmen and those who manage the business of the house.

We are grateful to Senator McDonald, who called together the chairmen of the committees this morning. Where chairmen could not themselves attend, their representatives were present. An agreement was reached which I think will provide for the orderly dispatch of the business of the Senate and of its committees.

Senator Croll has told us that beginning next week his committee is going to hold sessions in various parts of the country. That is the decision of the committee. Obviously, if the work of the committee is to be undertaken, an exception must be provided to Rule 3 to enable him to carry on this outside work of the committee while the Senate is in session. I think there should be no difficulty in our agreeing to the suggestion made by Senator Grosart, that with regard to this motion in these particular circumstances we should invoke Rule 3 which would permit the suspension of Rule 76(4). Senator Grosart nods approval. I think that is the way to solve this problem.

I come now to Senator Lamontagne's motion. At first I thought that I should not deal with this matter at this stage, but on second thought I have decided to do so because it will explain the problem more clearly. Senator Lamontagne's committee has had many sessions. His committee had established its work schedule before the new Rules came into being and before we had the large number of committees that we have now. Therefore, he could very well argue with moral justification that having undertaken the work of his committee and having regard to the agenda that had been provided, he had to carry on with it in the way he did. As he knows, I felt that if it had been possible for him to arrange the meetings of his committee when the house was not sitting, it would have met a particular responsibility facing those of us who had to arrange the business of the house. But, as Senator Lamontagne has pointed out, his committee will not be holding further sessions, that problem is resolved.

[Hon. Mr. Martin.]

Hon. Mr. Lamontagne: And I shall not initiate another committee under the new Rules.

Hon. Mr. Martin: He says he would not initiate another committee under the new Rules. That is what he says at the moment, but I happen to know the kind of man Senator Lamontagne is. He is a man who carries out functions with the greatest dispatch.

Therefore, I suggest that a motion be put along the lines indicated by Senator Grosart. This will give emphasis to the desirability that the kind of agreement reached this morning by the chairmen of the committees be observed. If that is done, I am sure we shall have no difficulty in the discharge of our business.

Hon. Mr. Roebuck: Honourable senators, I move that Motion No. 1 be amended by inserting after the word "Senate" in the fourth paragraph the words "and that Rule 76(4) be suspended accordingly." That paragraph as amended will read:

> That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and that Rule 76(4) be suspended accordingly.

The Hon. the Speaker: May I ask the honourable senator to submit a draft of his amendment.

Hon. Mr. Roebuck: I will hand it to the Clerk.

The Hon. the Speaker: While the amendment is being prepared, honourable senators, may I come back to the point raised by the honourable Senator Grosart, in order that it is fully understood.

I have not said that the motion by the honourable Senator Croll is contrary to one of the rules. In his motion the honourable senator is asking permission to sit during sittings of the Senate. If this is by leave, then honourable senators by giving unanimous consent can grant this permission notwithstanding Rule 76. It is only in the event that unanimous consent is not granted, as is the case now, that this amendment is required. That is my understanding of honourable Senator Grosart's point.

Hon. Mr. Roebuck: No. There is nothing to suggest that.

The Hon. the Speaker: Then I shall wait until the amendment is drafted, and I shall put the amendment and the motion.

Hon. Mr. Grosart: Honourable senators, I rise on a point of order. As I read Rule 3, it provides that the rule, or part thereof, proposed to be suspended shall be distinctly stated. My understanding of that is that it is not necessary to put it in the motion. The rule is there for a purpose, namely, to call the attention of the Senate to the fact that one of its rules is being set aside. This will have, I believe, many auxiliary advantages. We will know, for example, next week where the members of the Special Committee on Poverty are, and this will be the only way by which the chamber will know where they are because under this rule they are required to inform the Senate. It is that simple.

The Hon. the Speaker: Again, honourable senators, I ask your indulgence. I wish to add just one word which I hope will clarify the situation.

It is my opinion that if in the fourth paragraph of the motion by the honourable Senator Croll the words "by leave" are added, that will make unnecessary the amendment moved by the honourable Senator Roebuck.

Hon. Mr. Roebuck: Honourable senators, I have a comment to make. It may be that a general statement such as "with consent" may extract us from the difficulties in which we are at the moment, but it does not answer the situation. The consent might apply to all sorts of things. We are at the present moment unanimous only in that we do not want committees meeting while the Senate is in session, except in special circumstances and after due consideration. The amendment I have moved is specific.

Hon. Mr. Lamontagne: We are not unanimous.

Hon. Mr. Roebuck: We are nearly unanimous. The amendment I have moved is specific. We are giving the right to this committee to sit during sittings of the Senate, and in these circumstances and nothing else. I think we should specify what we are doing, and my amendment does that.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Croll, seconded by the honourable Senator Roebuck:

> That a Special Committee of the Senate be appointed . . .

Hon. Senators: Dispense.

The Hon. the Speaker: In amendment it is moved by the honourable Senator Roebuck, seconded by the honourable Senator Burchill, that there be inserted after the word "Senate" in the fourth paragraph of the motion the following words "and that Rule 76, subsection (4), be suspended accordingly."

Is it your pleasure, honourable senators, to adopt the amendment to the motion?

Hon. Mr. Burchill: Honourable senators, I should like to ask a question. I am not perfectly clear on this matter. Does this mean that on every specific occasion that a special committee sits when the Senate is sitting, it has to obtain the permission of the house to do so?

Some Hon. Senators: No.

The Hon. the Speaker: If I understand the matter correctly, this amendment calls for the suspension of Rule 76(4). Its adoption will mean that this committee will have the right to sit while the house is sitting, and when it feels it necessary to so sit.

I am now asking, honourable senators, is it your pleasure to adopt the amendment to the main motion?

Hon. Maurice Bourget: Honourable senators, I rise on a point of order. There is something wrong, or I did not hear exactly what was said. If I understood His Honour the Speaker correctly, he said that Senator Roebuck seconded the main motion, and then moved an amendment to that same motion. This, to my mind, is not in accordance with the Rules. I think some other honourable senator should move the amendment, not the seconder of the main motion.

Hon. Mr. McDonald: Honourable senators, may I be permitted to move the amendment proposed by Senator Roebuck?

Hon. Mr. Roebuck: I withdraw in favour of Senator McDonald.

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the amendment moved by the honourable Senator

McDonald, seconded by the honourable Senator Burchill?

Hon. Senators: Agreed.

Motion agreed to and amendment adopted.

The Hon. the Speaker: Honourable senators, I come now to the main motion as amended. Is it your pleasure to adopt the main motion as amended?

Hon. Senators: Agreed.

Motion agreed to.

SCIENCE POLICY

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Maurice Lamontagne moved pursuant to notice:

That a Special Committee of the Senate be appointed to consider and report on the science policy of the Federal Government with the object of appraising its priorities, its budget and its efficiency in the light of the experience of other industrialized countries and of the requirements of the new scientific age and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) recent trends in research and development expenditures in Canada as compared with those in other industrialized countries;

(b) research and development activities carried out by the federal Government in the fields of physical, life and human sciences;

(c) federal assistance to research and development activities carried out by individuals, universities, industry and other groups in the three scientific fields mentioned above; and

(d) the broad principles, the long-term financial requirements and the structural organization of a dynamic and efficient science policy for Canada.

That the committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time, to print such papers and evidence from day to day as may be ordered by the committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the papers and evidence received and taken on the subject in the preceding session be referred to the committee; and

That the committee be composed of the Honourable Senators Aird, Belisle, Blois, Bourget, Cameron, Carter, Desruisseaux, Giguère, Grosart, Haig, Hays, Kinnear, Lamontagne, Lang, Leonard, McGrand, Nichol, O'Leary, Phillips (Prince), Robichaud, Sullivan, Thompson and Yuzyk.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Lamontagne, seconded by the honourable Senator Burchill:

That a Special Committee of the Senate be appointed to consider and report on the science policy of the federal Goverment with the object of appraising its priorities—

Honourable senators, shall I dispense with reading?

Hon. Allister Grosart: I object on the same grounds as I objected to the previous motion.

The Hon. the Speaker:

—its budget and its efficiency in the light of the experience of other industrialized countries and of the requirements of the new scientific age and without restricting the generality of the foregoing, to inquire into and report upon the following:

(*a*) recent trends in research and development expenditures in Canada as compared with those in other industrialized countries;

(*b*) research and development activities carried out by the federal Government in the fields of physical, life and human sciences;

(*c*) federal assistance to research and development activities carried out by individuals, universities, industry and other groups in the three scientific fields mentioned above; and

(*d*) the broad principles, the long-term financial requirements and the structural organization of a dynamic and efficient science policy for Canada.

That the committee have power to engage the services of such counsel, staff

and technical advisers as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time, to print such papers and evidence from day to day as may be ordered by the committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the committee be composed of the honourable Senators Aird, Belisle, Blois, Bourget, Cameron, Carter, Desruisseaux, Giguère, Grosart, Haig, Hays, Kinnear, Lamontagne, Lang, Leonard, McGrand, Nichol, O'Leary, Phillips (*Prince*), Robichaud, Sullivan, Thompson and Yuzyk.

Hon. J. Campbell Haig: Honourable senators, I wish to move an amendment to paragraph 3, in the third line thereof. After the word "committee" add the following words: "notwithstanding Rule 76, subsection (4)". That will avoid discussion of the amendments.

An Hon. Senator: What is the meaning of the amendment?

Hon. Mr. Haig: According to Rule 3:

Any rule, or part thereof, may be suspended without notice by leave of the Senate, the rule or part thereof proposed to be suspended being distinctly stated.

We are suspending rule 76, subsection (4) and we are stating it in the motion.

Some Hon. Senators: Agreed.

The Hon. the Speaker: The question now is on the amendment to the main motion. Is it your pleasure, honourable senators, to adopt the amendment?

Some Hon. Senators: Agreed.

Motion agreed to and amendment adopted.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the main motion as amended?

Some Hon. Senators: Agreed.

Motion agreed to.

DIVORCE

APPOINTMENT OF COMMITTEE

Hon. Arthur W. Roebuck moved pursuant to notice:

That notwithstanding the coming into force of the new Rules of the Senate on August 1, 1969, and notwithstanding the repeal, on November 19, 1968, of paragraph (ff) of the then Rule 23 and of the then Rules 153 to 195, both inclusive, being Part IV of the then Rules, and of the forms subjoined thereto, any petition of the dissolution or annulment of a marriage filed under the Dissolution and Annulmeent of Marriage Act before the coming into force of the Divorce Act and not disposed of when the latter Act came into force shall continue to be dealt with and disposed of in accordance with the Rules and forms specifically mentioned above, as if paragraph 7 of the Third Report of the Special Committee of the Senate on the Rules of the Senate, adopted by the Senate on November 19, 1968, were still in force; and,

That for the aforementioned purposes, the Standing Committee on Divorce shall be deemed to be continued in operation and to have been reconstituted as it was constituted prior to the prorogation of the preceding session.

He said: Honourable senators, I should make a very short explanation. I certainly cannot compete with my predecessor in motions in the magnificent speech that he has made. I have only two or three comments to make by way of explaining why it is necessary to continue the Divorce Committee for a short time.

We have nine cases, the evidence in which has been heard during the recess and which in a few days will be laid before the Divorce Committee. If passed by the Divorce Committee, resolutions will be presented in this chamber. If we pass those resolutions, then there will be a 30-day waiting period in which the parties, or any of them, may move for a petition for a bill of divorce setting aside our resolution.

We have an appeal of that kind in hand at the moment, and very shortly we will move for a committee to hear the evidence in the appeal. So you see it is necessary to keep the former committee alive for a time at least.

When I make a motion in connection with the nine cases, I expect to make some comments of interest with regard to statistics

and related matters. Perhaps some reference will also be made to the long experience which we have had and to the fact that we will be bringing to a close a job that has lasted for a hundred years.

This motion is merely to reconstitute the committee as it stood prior to the prorogation of the last session. The members of the committee at that time were Senators Blois, Burchill, Cameron, Croll, Farris, Fergusson, Gladstone, Haig, Hollett, Inman, Irvine, Isnor, Kinley, Roebuck and Smith, with Senators Flynn and Martin *ex officio* members.

Hon. Mr. Choquette: As I recall, there were a few appeals, and at that time the general committee as then constituted, the members of which were just read out by Senator Roebuck, did not sit. That committee did not sit on an appeal. Do I take it that we will not name a special committee to hear this appeal, but that the general committee will be sitting and hearing the appeal?

Hon. Mr. Roebuck: No. I think the objections taken at that time still stand, that the appeal should not be made to the committee that has already passed judgment on the case.

Perhaps the Leader of the Government in the Senate will make the motion. The motion for appeal will, of course, be referred to the Standing Senate Committee on Legal and Constitutional Affairs, which committee will no doubt arrange with the leader in appointing a special committee to hear that particular appeal case. Perhaps the members will be five in number, as previously, and it will be based, for the most part at least, on those who were not members of the former Committee on Divorce, although a minority of them would be acceptable. Certainly the chairman will not be a member of the former Committee on Divorce. I have at the present moment an understanding with Senator Phillips (Rigaud) that he will be the chairman of that appeal committee, if honourable senators concur in my suggestion in that respect.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, I would suggest that we rise now to return at 8 o'clock. The Acting Leader of the Opposition (Hon. Mr. Choquette) will then resume the debate on the Speech from the Throne and, in accordance with practice, I will follow. Before that, the Orders of the Day will be called, which should not take long. I know that the Acting Leader of the Opposition has been working hard on his speech. I have had sympathy for him all day. Perhaps after I have listened to it I might feel it would have been better had I not been here even to listen to him.

The Senate adjourned until 8 p.m.

At 8 p.m. the sitting was resumed.

RULES OF THE SENATE

APPOINTMENT OF SPECIAL COMMITTEE

Leave having been given to revert to Notices of Motions:

Hon. Hartland de M. Molson: Honourable senators, I would move, seconded by Senator Desruisseaux:

> That for this day and for the sole purpose of complying with Rule 84, the Special Committee of the Senate on the Rules of the Senate be deemed to have been reconstituted as it was constituted prior to the prorogation of the preceding session.

Honourable senators, the Special Committee on the Rules of the Senate died on prorogation, but it had not, at that stage, complied with one of the rules which the committee itself felt keenly about and which the chamber, in discussing the rules in Committee of the Whole, agreed with wholeheartedly. I refer to Rule 84, which reads:

> Within sixty days following its report to the Senate, a special committee, and a standing committee that has been instructed to make a special study, shall report to the Senate with reasonable detail the expenses incurred by that committee in its work.

I think there was then general agreement that committees, as it says in the rule, special committees or committees carrying out a special study, who are given the power by the chamber to incur expenses, should quite rightly make a report in reasonable detail and within a reasonable period of time. In order to comply with that rule, I have asked leave to have this motion approved, and in doing so I would like to table this report on the Special Committee on the Rules of the Senate.

The Clerk Assistant (reading):

> Pursuant to Rule 84, your Committee reports the expenses of the Special Committee of the Senate on the Rules of the

Senate, appointed during the first session of the Twenty-eighth Parliament, for the period September 19, 1968 to date as follows: salaries, $9,073, miscellaneous, $55, total, $9,128.

Respectfully submitted,

H. de M. Molson, Chairman.

Hon. Mr. Grosart: I presume Senator Molson, in deference to Rule 3, was proposing to set aside Rule 78 (3).

Hon. Mr. Molson: I thank Senator Grosart for his help.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, October 23, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Desruisseaux, seconded by Hon. Mr. Everett, for an address in reply thereto.

The Hon. the Speaker: Honourable senators, is it agreed that the honourable Senator Choquette, the Acting Leader of the Opposition, will speak instead of the honourable Senator Flynn?

Hon. Senators: Agreed.

Hon. Lionel Choquette: Honourable senators, I am sure I speak for all of us when I offer to the leader of our party in the Senate, the honourable Senator Jacques Flynn, our most sincere condolences.

It is difficult for a man to lose any loved one, but it is especially difficult to lose the one who gave him life, who guided and protected him through his formative years, and who saw him safely into manhood. Mothers seem all to have a way of becoming a part of their offspring. As a result, when such a beloved creature passes on, the grief of a dutiful and loving son must be ineffable. We extend to Senator Flynn our profound sympathy.

Under the circumstances, it becomes incumbent upon me as Deputy Leader of our party in the Senate to deliver the Opposition's first reply to the Speech from the Throne. However, before launching into the diatribe against the Throne Speech, which the Government Leader has indicated he expects, may I be permitted, honourable senators, a few less venomous remarks.

I should first like to thank our honourable Speaker, Senator Deschatelets, for the incomparably efficient way in which he has guided this chamber through its deliberations. It is evident the man is endowed with the wisdom of Solomon and the patience of Job.

To the honourable Senator Martin I extend my most heartfelt condolences on the loss, of a few days ago, of his brother.

I would add that the first session has made it quite manifest that the Government Leader in the Senate negotiated the transition from the frenetic Commons to the placid Senate without any ill effects. I am thus led to conclude that he is really very happy here with us—as happy as we are to have an aggressive, stimulating, articulate and shrewd gentleman with whom to cross swords.

To Senator Desruisseaux who moved the motion for an Address in Reply, I should like to say that it is always a pleasure to listen to so erudite and eloquent a gentleman. It does lead to confusion, however, for after his laudatory analysis of the Throne Speech, I just could not believe we both had listened to the same Throne Speech last Thrusday morning.

I wish also to extend congratulations to Senator Everett. The honourable gentleman's allocution seconding the motion for an Address in Reply bore all the marks of a highly incisive mind. His pellucid analysis of the problem of regional disparities led me to hope that he would continue to address himself to the major problems which afflict this country. Certainly we would all be interested to learn what he sees as possible solutions.

With your permission, honourable senators, I shall now proceed to apprise you of my assessment of the content of the Speech from the Throne.

It is manifest from this, the second excuse for a Throne Speech by the present administration, that the Government is devoid of purpose; that it lacks direction; that it is wallowing in a quagmire of indecision. In effect, it was a plethora of platitudes.

A Throne Speech is supposed to chart the course, to set the theme for the coming year or so. Where we are going remains a mystery even after the Throne Speech. Someone in the Prime Minister's vast retinue should have told the right honourable gentleman that you do not offer comic relief at the beginning of a mystery story.

What is indeed alarming is that the Government appears to take the document seriously as a Speech from the Throne and actually believes that this barren essay, this frank admission of an inability to cope with serious problems, is an adequate way to launch the country into the decade of the seventies.

The present administration has had close to a year and a half to dispose of legislation left over from the Pearson administration. It takes a great deal of culinary artistry to prepare leftovers in such a way as to make them palatable. This Government is not about to have conferred upon it any "cordon bleu".

This second session of the present Parliament should display clearly what the term "Just Society" entails. Would anybody be surprised to find that it was just another of those meaningless political slogans?

What the people of this country were expecting was a Throne Speech that would have provided an agenda for action, an unequivocal statement of priorities, and an untempered expression of the concerns of national government. Instead, it is clear the Government plans to while away the session in a leisurely, academic discussion of a veritable blizzard of white papers. The Government might be said to be "dropping out" for a year.

There is not a word in the Throne Speech about overall national development plans for the future; not a word about education, training, or opportunities for individual development.

The Canadian people are tiring of the cheap excuses this administration has proffered for its lack of decision and direction. The heap of confusion that this Government inherited from the previous one should have been disposed of long ago. As for the second popular excuse, that nothing far-reaching can be undertaken in the present state of the economy, I would never have thought this administration would have had the temerity to offer such a justification for inaction.

This Government is just as guilty as that which preceded it of allowing the economy to get out of hand. The fiscal myopia which characterized the Pearson years obviously proved to be contagious.

The Liberals, since they took over the reins of government six years ago, have gone through three Ministers of Finance—each one more obtuse than his predecessor. They have consistently misread the state of the economy, mistimed their economic policies and, in most cases, aggravated rather than solved our economic problems.

For nearly five years the governments of this country have employed measures designed to encourage inflation. Their own expert consultants warned them that they were courting disaster. The warnings went unheeded and the result has been rampant inflation. Why waste the taxpayers' money hiring expensive advisers if you have no intention whatsoever of listening to them?

The Economic Council of Canada has warned this Government that its anti-inflation policies of fiscal and monetary restraint could plunge us into a recession because the policies are essentially aimed at the wrong targets. I quote from the Economic Council of Canada report:

> Further fiscal and monetary restraint could conceivably result simply in higher rates of unemployment and economic slack with no more than marginal effects on current rates of increase in prices and costs.

The Economic Council has pointed out that the inflation which presently afflicts us is more in the nature of a cost-push than a demand-pull. The distinction becomes important when one is contemplating the degree of severity to employ in monetary and fiscal restraints to control inflation.

Cost-push inflation is primarily caused by excessive wage demands. More consideration must be given, therefore, to controlling the wage spiral than to raising taxes, reducing government spending and tightening credit. The Government, however, instead of trying harder to convince labour unions to be more reasonable in their demands has chosen the other course. It has intensified its monetary and fiscal restraints rather than follow the advice of the Economic Council. The result will be an inevitable drastic increase in unemployment.

It is callous indeed to fight inflation by having recourse to the deliberate creation of unemployment. It is tantamount to wilfully creating a frightful mess, then having someone else clean it up.

Rather than insensitively forcing people out of work, the Government should concentrate on steering the economy into a smoother continuing pattern of demand growth. Some sort of coherent system for establishing national priorities must be devised to replace the present haphazard approach.

Too frequently in the past four or five years priorities have been established and objectives decided upon in isolation, on an *ad hoc* basis, with no reference whatever to an overall framework of goals; programs have been embarked upon having no sounder basis than a welter of insufficiently considered ideas. The result has been manifest waste, especially apparent in the welfare field which comprises the largest single component of government spending.

In spite of the huge amounts of money spent by the federal Government on welfare, this administration with its genius for inefficiency still manages to short-change people. There is a crying need for a yearly increase in the old age security pension proportionate to the increase in the cost of living index. As it stands now, the old age security pension is raised two per cent per annum while the cost of living has, in recent years, risen by four or five per cent each year. As a result, those on fixed incomes have had again to bear the brunt of this Government's inability to deal effectively with monsters of its own creation. I have said this before and I say it again, that these welfare payments must be geared to the cost of living, that is, payable in constant dollars.

Again with reference to the present welfare program of the federal Government, the Economic Council has had this to say:

> Welfare assistance is provided in a manner and amount that all too frequently undermines, rather than reinforces, the abilities and aspirations of recipients to participate productively in the economic system.

The program does not provide incentives to people to get off welfare rolls; it is, in effect, destructive of initiative, self-reliance, and self-respect.

The Economic Council suggests, and we see great merit in their suggestions:

> a) the creation of a federal-provincial program for continuing studies of national goals and priorities that would set out cost and manpower requirements for obtaining specific objectives;
>
> b) ensuring that the results of studies are made available to Parliament, the provincial legislatures, and the public as essential background for decisions on the allocation of resources.

New programs, if there are to be any, should be financed by increased administrative efficiency in the existing programs and by the elimination of schemes that have served their purpose and are no longer necessary.

If we are to solve the problem of poverty in Canada, we must think in terms of developing the income-earning capacities of those who are below the poverty line. This is what we heard from Senator Croll today. This can be achieved—and again I refer to the suggestion of the Economic Council—by

> (a) improved and expanded employment opportunities through better labour market information;
>
> (b) improved and expanded education and training opportunities in the form of special efforts to upgrade skills, reduce the number of dropouts, and enable poor families to increase earning potential; and
>
> (c) income maintenance policies as an essential complement to more direct efforts to expand employment and educational opportunities.

To recapitulate, if we are ever to solve the problem of poverty, the Manpower Department will have to start doing what it was designed to do, that is, to retrain and, if necessary, relocate, as well as direct, people to openings in the labour market. We all hope that the Special Committee of the Senate on Poverty will come up with some answers, but the Government itself is obviously fumbling in this area.

We received with a great deal of enthusiasm the reference in the Speech from the Throne to the Government's intention to lower the voting age to 18. If the Government is going to please these future voters, it will have to change, and change drastically. Needless to say, any change in this instance will have to constitute an improvement, so we have reason to be hopeful.

Young people today want "to do their own thing." Much as this may sound anarchic, it is not for the most part. Rather it is indicative of independence, self-reliance, and even maturity. It is, therefore, laudable, for the vast majority of our young adults do not forget that doing one's thing carries with it obligations and responsibilities to others.

Those students who are today annoyed at the Establishment may have some right to be. Organized technological society is massive and impersonal. People are treated as mere computer in-puts. We seem to have lost control of our society. The "Thing" is running us. The system is the tail that wags the dog.

This, young people object to; they find our welfare state too impersonal, unfeeling, and removed from reality. Much as it may be run by people, our society is more preoccupied with efficiency than it is conscious of people or concerned about them. This would not be so bad if governments, at least, developed a respectable degree of efficiency in their dealings with people, but most of them have not, and this Government certainly has not.

If the young people of Canada have noticed that they are being moulded by this large amorphous mass called society, they are to be commended. If they are perspicacious enough to note that society itself is being inspected, directed, and protected by an ubiquitous and overbearing central government, then they ought to be encouraged to run for office. We are in dire need of men of insight.

The young adults of this country are knowledgeable, sophisticated, and fiercely independent. They have a gift for seeing through people. Hence they are not likely to be fooled as their parents were in the last couple of general elections.

With reference to the matter of pollution, we are in full agreement with the principle of establishing a special committee of the Senate to identify the problems of environmental destruction and the setting up of structures to solve them. I understand the committee's aim would be to set out the basis for a national policy on environmental control, make recommendations for the establishment of a federal administrative body to implement the policy, and examine how provincial and territorial policy could be brought into harmony with national policy.

Here is an opportunity for us in the Senate to help the Government out of yet another sorry mess. The nucleus of the solution lies in reaching an agreement on the proper sharing of responsibilities among the federal, provincial and municipal levels of government. A more than adequate system of consultation will have to be set up among the three levels of government and it will have to be used extensively.

The Senate as well as some of its committees should play a part in the field of constitutional revision, in the field of the redistribution of legislative powers.

It should, therefore, be one of the first tasks of the new committee charged with looking into the problem of pollution to determine what responsibilities each level of government recognizes as its own. Hopefully, we will end up with overlapping rather than with a passel of grey zones for which no one feels responsible.

Responsibility having been agreed upon, we can then move on in a co-operative fashion to the consideration of policies and solutions.

Before terminating, I should like to address myself to the subject of Senate reform. Nobody in the world has come in for more well-intentioned diagnoses of ailment and prescriptions for cure than the Senate of Canada.

The Prime Minister's White Paper on Constitutional Reform published last February had some proposals for the reform of this institution. It suggested first that the Senate:

> — be reorganized so as to provide for the expression in it in a more direct and formal manner than at present of the interests of the provinces and regions of Canada.

No one would disagree that the principle of regional representation was clearly stronger in the minds of the Fathers of Confederation than any idea of giving the provinces and regions numerically proportional representation in the Senate.

Most of us here have acted little to fulfil our role as regional representatives. I suppose we felt the people in the other place were doing a fairly commendable job of that. Or maybe we felt that as senators we should rise above the tendency to defend petty regional interests. One thing is clear: the other place does not pay sufficient attention to regional and provincial interests. They are more concerned with Canada as a whole. If we follow this course, we will be indulging in a useless duplication of effort.

Therefore, I am led to conclude that the Senate's oldest raison d'être is also its most current—it should serve the interests of the provinces.

Since 1867, the pendulum of power has swung between federal and provincial governments. Most of the problems that needed collective action are now solved. More of the governing of the country could and should be done at the provincial level. However, it is silly to suppose that if Ottawa continued to have exclusive right to appoint senators, strong supporters of provincial autonomy would ever find a place in this hallowed chamber.

The Government's suggestion that the Senate be selected partly by the federal and partly by the provincial governments is, I believe,

a healthy one. All that needs to be worked out now is the method of procedure to be employed in this co-operative effort. It is the details surrounding such arrangements that are usually generative of so much friction.

It is further suggested in the white paper that a senator's term of office be limited, maybe to six years, with the possibility of renewal. What are to be the criteria used in determining whether a senator's term is to be renewed? Who is to establish these criteria? Who is to stand in judgment? I should not be surprised if the Government has no answers to these questions. It is notorious for not doing its homework.

All these changes that the Government proposes to effectuate in the Senate might very well be for the better. However, in my judgment this is a situation where gradualism should be the order of the day. What will have been gained if in our eagerness to refurbish our image we, in effect, throw the baby out with the bath water? Above all, let us avoid the evil of impatience.

In closing, I would say to the Government: Get on with the task of leading this country. Give up your role as housekeeper. Housekeepers are a dime a dozen, or at least used to be. Rid yourselves of your obsession with the diagnosis of problems and devote yourselves to finding solutions. Quit stalling, vacillating and waffling, and show us what this "Just Society" is all about.

Surely you have more to offer the public than white papers. The country does not want to see you indulge in a mere academic exercise. We want meaningful action designed to solve our problems, not to hide them.

Hon. Paul Martin: Honourable senators, I should like to join the Deputy Leader of the Opposition (Hon. Mr. Choquette) in saying to the mover (Hon. Mr. Desruisseaux) and the seconder (Hon. Mr. Everett) that they discharged their assignment with great credit to themselves.

[*Translation*]

I wish to extend my most sincere congratulations to Senator Desruisseaux for the speech he delivered here last Thursday. As always, it was the speech of a cautious, wise and able man.

I should like to say to Senator Everett that I thought his speech followed the pattern, in the reaction it created, of Senator Desruisseaux. They were two outstanding contributions. Senator Everett made, I thought, a responsible statement, interpreting the mood of that portion of the country from which he comes, a portion of the country that feels oftentimes that it is neglected. That, of course, is not the case. But it is well that we should be reminded what people in Western Canada do think. No one has interpreted the relations of Western Canada to the rest of Canada better, in my judgment, in a long time than the speech Senator Everett delivered in this house on Thursday last.

I should like to say that I, too, regret very much the circumstances that have prevented the Leader of the Opposition (Hon. Mr. Flynn) from being in his seat tonight. I join with the Deputy Leader of the Opposition in expressing our sincere sympathy to Senator Flynn and to the members of his family on the passing of his mother. I am grateful to Senator Choquette for what he said about my own sorrow of recent days, something on which I am not anxious to dwell. Since it has been mentioned I should like to say to all senators that I am grateful for their kind thoughts in this situation.

And too, I agree with Senator Choquette that we owe a special word of thanks to His Honour the Speaker for the efficient way in which he presides over our deliberations.

I would like to congratulate Senator Choquette on the effort which he has just completed. He will not expect me to accept all the pulsations of that speech or to agree with all his conclusions. I must say that, having made a few speeches in opposition myself, I have had some experience about the merit of opposition speeches. Using that yardstick, I would say that in the absence of his leader tonight he credited himself with unusual distinction. He will not expect me to comment on all of the criticisms he made of the administration. I would like to say at once that I do take strong issue, however, with his statement that the Government lacked decision and purpose.

I have served in four Governments, including the present administration. Each of these Governments had its merit and its achievements. This Government cannot be characterized as one that lacks decision and purpose. The capacity of the Government to make decisions, and the fact that the Government has purpose, is reflected in the character and in the leadership of the man who heads the Government. If a government is lacking in decision and is lacking in purpose, the reason will normally be found in the person of the head of government. I believe that I reflect

the judgment of the vast majority of the people of the country at the present time. I hope that this will not be construed as a narrow political observation, but I do say that the present Prime Minister reflects, as few leaders of government, the mood and the desires of the nation. This is shown in his pronouncements. I think it was reflected in what he said today about a matter that I wish to say something about tonight. I also think it was reflected in a speech he made the other day in the City of Montreal. It is reflected in his capacity for direct statement, oftentimes in his understatements. On those occasions he bears in mind that it is well to catch up rather than to find one has taken a position from which one has to retreat. No, I believe that this Government and this Prime Minister has purpose and decision. This Government is making and has made decisions, some of them extremely difficult, as we found during the course of the last few months in pursuing a policy of retrenchment and reduction of Government expenditures. I think the Prime Minister, in his concept of the nature of our Confederation and in his view of the nature of some of our problems, both domestic and foreign, stands out as a man of stature, one whose leadership is not only bringing attention to himself in Canada, but bringing to himself attention in many countries of the world.

In opening my reply to what the Deputy Leader of the Opposition has said, I wish to assure him that from all that I see in the Cabinet and from the unfolding of Government policies, we will see some of them already portrayed in the Speech from the Throne. A suggestion that this is a Government that lacks decision and lacks purpose is not open to substantiation.

During the course of his speech, Senator Choquette referred to what is undoubtedly the most serious problem facing the country at the present time, one that Professor Galbraith, the distinguished American economist, spoke about on Saturday and yesterday at the Tripartite Conference here in Ottawa. This is a matter that was referred to in the other place last night by the Minister of Finance and again today by the Prime Minister, and recently by the Governor of the Bank of Canada and, as Senator Choquette pointed out, a few weeks ago by the Chairman of the Economic Council of Canada. This question is one which should be of concern not only to the other house but it should be of concern, as I know it is, to senators in this house. I hope that it will gain the attention of some of our committees just as it is receiving attention in other committees in the other place and in some of the legislatures of the provinces.

The fact is that the major challenge to government and to all Canadians at this time is the problem of inflation and the inflation psychology. As a government, Senator Choquette suggested that we were remiss in our confrontation with this problem. We have tackled inflation on many levels. In the first place we have reduced the rate of increase of our own expenditures by cutting back severely the scope of operation of various government departments and agencies. We felt that the level of expenditure on federal account in Canada had reached proportions which stood in the way of a ready solution to inflation. We were not the only government that had overexpended; we were not the only level of government that had overexpended. The expenditures of provincial governments, both collectively and individually, as the Finance Committee reported in this Senate last June, reveals that their expenditures exceed those of the federal Government. That is their responsibility. We felt that if we were going to curb this inflation we had to embark on a program of reduction of expenditures, with the result that the Minister of Finance would be faced with the opportunity of presenting a surplus and, as he indicated yesterday, that surplus will be even larger, he anticipates, than his earlier expectations.

The Government has established an Incomes Commission under the chairmanship of an eminent economist to inquire into and report upon the causes, processes and consequences of inflation and to inform government and management and labour how price stability may be best achieved. My honourable friend may say that this Incomes Commission has no more authority than that of persuasion. Those of us who are lawyers know that a judgment sometimes may be either authoritative or persuasive. Even persuasive judgments have their value. This commission's authority may be no more than educational, it may be no more than persuasive; but that is because of the limitation of the Constitution in giving direct authority to the federal Government in the matter of the control of prices, wages and profits.

There might be some area yet to be dealt with in the field of credit; but generally speaking the kind of objective which was put

before the Canadian people by Professor Galbraith in a committee in the other place yesterday is not easy of application in Canada. He pointed out that in the United States it is possible, by a single act of the Congress, to establish a system of controls more effectively to meet inflation. We know that that is not the situation in our country.

What the President of the Economic Council was referring to the other day, in the statement which was made in his Sixth Annual Report, I think was essentially addressed more to the long-term than to the short-term. In any event it should be remembered that the Economic Council is a body which represents not only one element. It represents management, it represents labour, it represents agriculture, it represents the expert, it represents the economist, it represents the academic community. In other words, it is a body which often must make compromises in order to reach conclusions. If Senator Choquette draws comfort from the statement of the President of the Economic Council, I would ask him to look at the statement made the other day by the Governor of the Bank of Canada. Some of the observations made by Mr. Rasminsky, contrasted with those made by the Chairman of the Economic Council, will show that the general course which the Government is taking, in the circumstances, is one which warrants support, warrants perhaps a greater appreciation than is sometimes given to current Government policies.

The Government has not rested with this commission. The Government also has been working through the Bank of Canada in the enactment of monetary policies to restrain the supply of credit. The success of this restrictive monetary policy is reflected in the fact that by May of 1969, after these policies had been in effect for approximately six months, the more liquid assets of the banks, which provide the cushion which enables them to expand their lending activity, had been reduced by more than three-quarters of a billion dollars, and the ratio of their more liquid assets to their total assets had fallen from 32½ per cent to 28 per cent, a level which is low by historical standards.

The impact of reductions in government expenditures can be seen in the fact that while in the twelve months ending September 1968 the Government's overall cash requirements, excluding those of the Exchange Fund, were $1,200 million in the twelve months ending September 1969 there was a net cash availability of nearly $100 million. This large swing has been of great assistance to the Bank of Canada in controlling bank liquidity during the past year. Had it been necessary to deal with a large increase in public debt at a time when monetary policy was directed towards reducing the liquid assets of the banking system, it is obvious that the increase in interest rates would have had to be even greater than it was, or the growth of the money supply would have had to be larger.

Some argue, and I think this is implied in what Senator Choquette said, that the Government in the interest of higher welfare payments, in the interest of maintaining employment, in encouraging economic growth, should ease its restrictive monetary policies at the present time, for fear of precipitating a recession.

I say to Senator Choquette and to all honourable senators that the available evidence does not support that position. For example, the consumer price index has increased in the months of June, July and August of 1969 as much or more than in the same months of 1968.

It is also alleged that the Government's anti-inflationary policy has produced unemployment in Canada. This is not the case. Recent figures from the Dominion Bureau of Statistics indicate that the total employment in Canada is 2.6 per cent higher than it was one year ago and that the unemployment figure of 5.0 per cent for September 1969, the most recent figure available, is only 0.2 per cent higher than the figure for 1968 and is in fact lower than the figures for June and July 1968.

Therefore, in short, the Government's policies aimed at reducing inflation cannot at this stage be said to have failed. I am not saying that the problem is an easy one. I am not saying that we are succeeding in every sector. We had a rise the day before yesterday in steel prices. But I am saying that, in the Government's view at this time, whatever else may be done, it would not be appropriate to alter the policies of the Government in its effort to try and curb inflation.

No one for one moment doubts the seriousness of this problem and certainly the Governor of the Bank of Canada, quite properly, in his statement of October 23, outlines what inflation means in Canada. He pointed out that quite apart from the serious inequities it involves and the unfair sacrifices it inflicts on

those in the weakest bargaining position, including older people, the process of inflation and the demand to adjust inflation, introduces tensions and disturbances into the economic process which are bound to result in an unsatisfactory economic performance. Then he went on, almost by way of warning, to say that as more and more people try to adjust to inflation, more and more pressure is put on costs and prices, and restrictive policies are needed simply to keep inflation from accelerating. Nothing is gained in the process in terms of output and employment, and people are put to a substantial and unnecessary degree of inconvenience and anxiety in an attempt to keep up with inflation.

It is taking, Mr. Rasminsky said, a very short-run view to believe that the tolerance of inflation can result in a higher level of real output or less unemployment. The inflation jeopardizes the kind of long-run economic expansion on which durable growth in employment depends.

Now, it is suggested by some that our policy is inconsistent with these public declarations of the Governor of the Bank of Canada, that it is resulting in an over-kill. That phrase has been used by an eminent political personality in this country. There is the danger of over-kill, but there is nothing in what the Governor of the Bank suggests to indicate that we have reached that point.

Here is what he says about the consequences of the present Government's program of combatting inflation within the limitations of the constitutional provisions that are open to a federal government in Canada. He said:

> I believe that there is accumulating evidence that policies of restraint are beginning to take hold, both here and in the United States.

Now, that is the statement of the Governor of the Bank of Canada. The Minister of Finance in the light of this statement was justified in saying that by no means has the Government concluded that what it is trying now to do to combat inflation should be altered.

The Governor of the Bank of Canada went on to say:

> Unfortunately, an accurate assessment of most of our own economic indicators since the first quarter has been complicated by a number of major strikes which have had an influence that is difficult to isolate. Even so, after making due allowance for all the temporary dislocations, it would seem that the underlying trend of demand in this country is no longer increasing nearly as rapidly as it was in the period up to the first quarter of this year.

These are not the statements of any of my colleagues in the Government. These are the statements of the Governor of the Bank of Canada.

And here is what he said in summary:

> — while there are indications that policies of restraint are beginning to work and that we are on the right track, I think that it would be too optimistic to conclude that these policies have now done the full job of creating conditions that will eventually lead to a significant reduction in the rate of price and cost increase. In saying this, I am well aware of the inevitable time-lags that exist both in the adjustment of prices and costs to easier demand conditions and in the response of the economy to policy changes.

Honourable senators, I mentioned Professor Galbraith and the observations he made to a parliamentary committee yesterday, and what he said to the tripartite conference and what he said in a lecture at the University of Ottawa on Saturday night. Great attachment will be given to his words.

Today the Prime Minister indicated the Government's great concern with inflation. He said that we have resorted to a program of retrenchment, a program of guidelines, a program of persuasion. The Minister of Consumer Affairs is active within the context of his ministerial responsibilities. Every occasion is taken to point out the dangers of inflation to wage-earners, to those on fixed incomes. The Prime Minister went on to say that we simply have got to meet this problem. I am now paraphrasing his words. They indicate the serious view he takes of the problem: that, if necessary, he would be prepared to discuss with the provinces ways and means of finding other measures, if necessary, to deal with the problem. He did not say that he would; but he did indicate, by his concern about the suggestion of controls and the constitutional limitations connected therewith, that this is the kind of matter which a government faced with this serious problem must not hesitate to study. And I strongly recommend the reading

of what the Prime Minister said, when tomorrow honourable senators will have the opportunity.

I refer to what he said only to indicate that, in addition to what I have said tonight about what we believe to be the success thus far of some of our efforts, the Government continues to give the matter in an over-all way much more fundamental concern and approach than some are prepared to recognize the Government is doing.

I have thought in reply to my honourable friend that I should address myself essentially to this problem, because it was the basis of much of his complaint. It is basic today all over this country. The Government of the country is therefore obliged to give the fullest consideration to ways and means of dealing with this problem. The Government can only do so much within the limit of its constitutional power. But private sector has a great responsibility, and so has labour.

My honourable friend said, if I understood him right, that inflation was caused by an undue rise in wages. Well, surely inflation is caused by this, but also by other undue rises in other areas of the economy. All sectors of the community must accept their responsibility in a voluntary way through voluntary restraints, if the federal Government within the ambit of its constitutional power is going to deal successfully with this problem.

In the Speech from the Throne the Government did, of course, stray from the traditional pattern of similar speeches. There was an annex to the speech which indicated the Government's legislative program. There was also in the annex a list of the legislative program passed in the other place and in the Senate during the course of the last session of Parliament. It is true, as Senator Choquette said, that much of this program comprised hangover legislation—bits of legislation left over from the previous regime. I may say that some of these bits of legislation were hangovers from the administration before that.

The House of Commons has revised some of its procedures and it is hoped that it will be able to dispatch its business in a way that will not permit a repetition of such a long time being taken in the implementation of the legislative program. But let there be no mistake that in this present Speech from the Throne, philosophical as it may be, in part, general as its phrases may seem to be, there is a clear plan and a clear design and purpose. This Government is planning its work; it is planning its work carefully; and the evidence of that planning will in the course of the next few months be unfolded in a way which, I trust, will satisfy even my genial friend Senator Choquette.

An Hon. Senator: Never.

Hon. Mr. Martin: Someone says never. I do not possess that kind of pessimism. I have convinced Senator Choquette before and I am sure that I can convince him even in this difficult area.

The Speech from the Throne speaks of the international situation; it speaks of our concern in the Arctic archipelago; it speaks of the development of international law; it speaks of what we are seeking to do at the United Nations to strengthen that organization; it speaks of national unity. It mentions with pride the legislative accomplishment last session of the language bill. That is now a legislative fact. The Government is presently engaged in further discussions with the provinces, designed to implement that bill and to implement some of the recommendations of the B. and B. Report.

The problem of national unity continues to be one of our foremost problems together with that of economic disparity and inflation. These are pre-eminent among the problems that face not only the Government but also Parliament and the people of the country.

Senator Choquette mentioned at the outset that I seem to be fitting into the pattern and the traditions of this chamber. I thank him for that. But if that is the case, it is largely because I have had co-operation not only from those who sit on this side but from those who sit opposite. I am sure that Senator Choquette is right in saying that this chamber, this institution, the subject of much abuse almost from the time of its establishment, serves a good purpose in our parliamentary system. I am sure that we would not be true to the Fathers of Confederation and to the purpose of that arrangement if we were to undo one of the necessary conditions which brought this house into being, largely at the insistence of the Atlantic Provinces and the Province of Quebec.

Our job now is to make ourselves more useful. The criticisms levelled at the Senate are oftentimes made in the context of a criticism directed against Parliament itself; the charge being that Parliament is meaningless, that Parliament is irrelevant in the modern day. Those of us who are in Parliament in one or other of the houses cannot ignore that

indictment. The charge is made every day in many ways, on television, in the newspapers, and in the university lecture room, that Parliament is an irrelevant institution. I do not believe that we should indulge in self-praise; I think we should be aware, as Senator Choquette is, of our shortcomings and of the need to correct ourselves and our operations to justify confidence in the mandate given us. I think at the same time we should recognize that we have, in this chamber particularly, an opportunity to meet the challenge that is directed against Parliament.

The suggestion that great issues in this country should be resolved by a public d alogue in which Parliament does not take part is a threat to our free society. Let no one think that the dialogue does take place only between Parliament and the people. The dialogue, as I see it, in this contracted society of ours, with television and other communications media, is oftentimes between the people and those who are set up to report the activities of those who were either elected or appointed to do the job involved in the enacting of legislation. But the dialogue should not be only between them. They should report the dialogue—and are free to comment on it—that ought to be between Parliament and the people on all the great issues. We in this house have a special opportunity since we are not bogged down by heavy government programs. It need not mean that we must reach decisions on every matter; it need not mean that we have to have a concensus on every subject. That is not the nature of a deliberative assembly. In the United Nations they are now learning that there is a value in debate and in discussion and in that kind of projection even though it may not lead always to firm conclusions. This Senate can take an additional step forward by addressing itself to these vital issues, thereby making a contribution as well as justifying its existence in this federation of ours.

Honourable senators, the debate on the Speech from the Throne is intended to enable us not necessarily to discuss all the measures mentioned in the speech—there is nothing to preclude such a detailed examination if one wishes to make it—but it is an occasion on which we are entitled to address ourselves, as Senator Choquette and I have sought to do this evening, to some of the major issues that confront the country. Having done that, and before I take my seat, let me assure Senator Choquette of one thing that is certain. It is that this government of which I am a member is alive to its problems, has a purpose and a plan for Canada. It includes in that plan the preservation of the unity of this country. And because we hope to be able to preserve the unity of this country, we hope at the same time to continue the Canadian tradition of making a contribution to the peace of the world.

On motion of Hon. Mr. Phillips (Rigaud), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See page 28*)

POVERTY

RÉSUMÉ OF ACTIVITIES OF SPECIAL COMMITTEE
1968-69 SESSION

1. Notice of motion given by Senator Roebuck for Senator Croll for a proposed Special Senate Committee on Poverty; on September 13, 1968. (Pages 15-16 inclusive in Debates of the Senate).

2. Opening of debate on said motion by the honourable Senator Croll on October 8, 1968. (Pages 208 to 216 both inclusive in Debates of the Senate).

3. Resumed debate on said motion by the honourable Senator Edgar Fournier on October 9, 1968. (Pages 242 to 247 both inclusive in Debates of the Senate).

4. Resumed debate on said motion by the honourable Senators Belisle and Fergusson on October 16, 1968. (Pages 300 to 307 both inclusive in Debates of the Senate).

5. Resumed debate on said motion by the honourable Senators Carter, Prowse and Robichaud on October 17, 1968. (Pages 314 to 326 both inclusive in Debates of the Senate).

6. Resumed debate on said motion by the honourable Senators O'Leary (Carleton) and O'Leary (Antigonish-Guysborough) on October 22, 1968. (Pages 331 to 334 both inclusive in Debates of the Senate).

7. Resumed debate on said motion by the honourable Senators MacKenzie, Roebuck and McDonald on November 5, 1968. (Pages 416 to 425 both inclusive in Debates of the Senate).

8. Resumed debate on said motion by the honourable Senators Inman, Martin and Beaubien (Bedford) on November 20, 1968. (Pages 580 to 587 both inclusive in Debates of the Senate).

9. Resumed debate on said motion by the honourable Senator Flynn on November 21, 1968. (Pages 595 to 597 both inclusive in Debates of the Senate).

10. Resumed debate on said motion, closing of the debate and motion agreed to. The honourable Senator Croll closed the debate and the motion was carried, on November 26, 1968. (Pages 616 to 623 both inclusive in Debates of the Senate). (A total of 18 senators spoke).

11. Adjournment of the Senate for the Christmas recess on December 19, 1968: resumed January 21, 1969.

12. On January 23, 1969, appointment of members to Special Committee on motion of the honourable Senator Langlois, with leave: 18 senators appointed. (Page 888 in Debates of the Senate).

MEETINGS OF THE SPECIAL SENATE COMMITTEE ON POVERTY

1st Meeting (Tuesday, April 22, 1969)
Witnesses: Dr. D. L. McQueen, Director of the Economic Council of Canada and Miss J. Podoluk, Statistician, Dominion Bureau of Statistics.

2nd Meeting (Thursday, April 24, 1969)
Witnesses: Dr. D. L. McQueen, Director, Economic Council of Canada; Mrs. G. Stewart, Staff Member, Economic Council of Canada; Miss J. Podoluk, Statistician, Dominion Bureau of Statistics.

3rd Meeting (Tuesday, May 6, 1969)
Witnesses: Citizenship Branch, Department of Secretary of State: Dr. Frederick E. Walden, Chief, Social Research and Adult Education Services; Mr. Anselme J. Cormier, Acting Director.

4th Meeting (Thursday, May 8, 1969)
Witnesses: Representing the Company of Young Canadians: Mr. Claude Vidal, Executive Director; Mr. Ian Hamilton, Director of Information; and Mr. Charles Long, Ottawa Program Staff.

5th Meeting (Tuesday, May 13, 1969)
Witnesses: From the Department of Regional Economic Development: Mr. W. J. Lavigne, Assistant Deputy Minister (Incentives), in his former capacity as Commissioner of the Area Development Agency; and Dr. E. P. Weeks, Assistant Deputy Minister (Implementation), in his former capacity as Executive Director of the Atlantic Development Board.

6th Meeting (Tuesday, May 20, 1969)
Witnesses: Mr. André Saumier, Assistant Deputy Minister (Programming), Department of Regional Economic Expansion, appearing in his former capacity as Assistant Deputy Minister, Rural Development

Branch, Department of Forestry and Rural Development.

7th Meeting (Thursday, May 22, 1969)
Witness: Mr. Harry J. Waisglass, Director-General, Research and Development, Canada Department of Labour.

8th Meeting (Thursday, May 29, 1969)
Witnesses heard: From Department of Consumer and Corporate Affairs; Mr. J. F. Grandy, Deputy Minister; Dr. Warren James, Director of Research Branch; and Mr. Earl C. Savage of the same branch.

9th Meeting (Tuesday, June 3, 1969)
Witnesses: Unemployment Insurance Commission: Mr. J. M. DesRoches, Chief Commissioner, Mr. T. B. Ward, Commissioner. Mr. R. L. Beatty, Director General. Mr. D. J. Macdonnell, Chief, Coverage Division.

10th Meeting (Tuesday, June 10, 1969)
Witnesses: From the Department of Manpower and Immigration: Dr. W. R. Dymond, Assistant Deputy Minister (Program Development); Mr. H. John Meyer, Acting Director, Program Branch; Miss Valarie Sims and Mr. Peter Penz, both of the Planning and Evaluation Branch; and Miss Jenny R. Podoluk, Statistician, Dominion Bureau of Statistics.

11th Meeting (Tuesday, June 17, 1969)
Witnesses: From the Department of Agriculture: Dr. R. P. Poirier, Assistant Deputy Minister (Economics); Dr. G. P. Purnell, Director General, Economics Branch; Mr. J. S. Parker, Special Assistant, Resources Utilization; and Mr. R. A. Stutt, Economist, Economics Branch.

12th Meeting (Thursday, June 19, 1969)
Witnesses: Representing the Canadian Welfare Council: Mr. Reuben C. Baetz, Executive Director; Miss Patricia Godfrey, Executive Secretary, Research and Special Projects; and Mr. Michael Wheeler, Director, Research Branch.

13th Meeting (Thursday, June 26, 1969)
Witnesses: Mrs. June Stifle, Executive Secretary, Alberta Metis Society; Dr. Howard Adams, President, Metis Society of Saskatchewan; Reverend Adam Cuthand, President, Manitoba Metis Federation; and Mr. Tom Eagle, Canadian Armed Forces.

THE SENATE

Wednesday, October 29, 1969

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

Prayers.

DOCUMENTS TABLED

Hon. A. Hamilton McDonald tabled:

Report of the Board of Grain Commissioners for Canada for the year ended December 31, 1968, pursuant to section 23 of the Canada Grain Act, chapter 25, R.S.C., 1952.

Report of the National Museums of Canada, together with a statement of Expenditures and Transactions certified by the Auditor General, for the fiscal year ended March 31, 1969, pursuant to section 22 of the National Museums Act, chapter 21, Statutes of Canada, 1967-68.

Report on the Administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1969, pursuant to section 25 of the said Act, chapter 34, Statutes of Canada, 1959.

Report of the Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1969, pursuant to section 10 of the Eastern Rocky Mountain Forest Conservation Act, chapter 59, Statutes of Canada, 1947.

Report of Operations under the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1969, pursuant to section 12(2) of the said Act, chapter 46, Statutes of Canada, 1955.

POVERTY

SPECIAL COMMITTEE—CHANGE IN MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

That the names of the honourable Senators Connolly (Halifax North) and MacDonald (Queens) be added to the list of senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the honourable Senator Nichol be removed from the list of senators serving on the said special committee.

Motion agreed to.

MASS MEDIA

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Keith Davey, with leave of the Senate, moved:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this special committee from 9th to 18th December, 1969, both inclusive, and the committee have power to sit during sittings of the Senate;

That the papers and evidence received and taken on the subject in the preceding session be referred to the committee; and

That the committee be composed of the honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (Cape Breton), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

He said: I wish to thank honourable senators for giving me leave to present this motion; also, I wish to make three brief comments.

First, the name of the committee has been changed in a minor way. It is now being called the Special Senate Committee on Mass

Media rather than Mass Public Communication, as it was known during the last session. However, I think it fair to say that the Special Senate Committee on Mass Media is the name that has been given to the committee by the press of the country and by senators on the committee. Therefore, we recommend for your consideration the adoption of that name.

Secondly, I hope honourable senators realize that the public hearings of this committee will have a duration of only twelve weeks, made up of six two-week periods. We have asked for permission to sit while the Senate is sitting during only the first two-week period, namely, the one in December.

I should like also to draw your attention to the fact that we have reduced the committee membership from 18 to 15.

I thank all honourable senators for their co-operation.

Motion agreed to.

PARLIAMENT BUILDINGS

NEW WINDOWS IN CENTRE BLOCK

On the Orders of the Day:

Hon. Hartland de M. Molson: Honourable senators, I should like to ask the honourable Acting Leader of the Government (Hon. Mr. McDonald) a question about what appears to me in these days of austerity to be quite an unnecessary expenditure. My question is as follows:

1. What firms tendered for the job of replacing most of the very large number of windows in the centre block of the Parliament Buildings?

2. Which was the successful tenderer, and what was the total cost of carrying out the work?

3. Is the task now finished?

Hon. Mr. Connolly (Ottawa West): How do you make them work?

Hon. Mr. Benidickson: Why does the sealer smell?

Hon A. Hamilton McDonald: Honourable senators, I should like to defer until a later date the provision of the information for which Senator Molson has asked, except that I do have the cost figure. The total cost for the work done on the centre block was some $80,500.

I will present the balance of the information requested either tomorrow or next week.

[Hon. Mr. Davey.]

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Lazarus Phillips: Honourable senators, may I join with those who preceded me in expressing my highest regard and respect for the masterful way in which our Speaker guides our deliberations and keeps us on the high road of orderly debate.

Ever since I entered this chamber I have learned to appreciate the great forensic ability of Senator Choquette, and I am happy that when I was actively in practice before the courts he was in Hull and its environs, and I in Montreal. I am far from certain that had we crossed swords for our clients I would have been happy with the outcome. Senator Choquette's speech last night will enhance an already enviable reputation.

My own leader, Senator Martin, was in rare form. He was combative but not pugnacious. He was persuasive and convincing, and I am inclined to believe that as a result I detected in Senator Choquette some signs of remorse and contrition for some of his more abrasive and bitter indictments of the present Government.

Honourable senators, it is with great pleasure that I congratulate Senator Desruisseaux on his masterful and exhaustive analysis of the Throne Speech. We are all indebted to him for developing certain of the subject matters dealt with therein. We were also greatly impressed with the very exciting and provocative speech of Senator Everett, who dealt more particularly with the problems of the western provinces. Some of his suggestions should receive more careful and detailed attention in due course in this house. I hope that we will have this opportunity.

An introduction to a book, honourable senators, is only of value if it is followed by the book itself, containing guidance and substance. By the same token, a tasty meal prepared by the chef must be placed before an appreciative customer with a receptive palate.

This is by way of saying that a Throne Speech is of value only to the extent that it charts what is to come, and provided that the Canadian public to which it, in effect, is addressed is attuned to the policy of a government determined to solve to a degree the

social, political and economic ills that unfortunately are part of our scene today. The Throne Speech which we heard last week is, to my mind, unique, in that it does chart the legislation to come. More importantly, we are promised a series of white papers dealing with such important matters as defence, taxation and social security that will enable not only the two chambers of this Parliament, but also the public at large, to express their respective views for the guidance of government in the preparation ultimately of legislation dealing with these superlatively important matters.

The sense of direction manifested by this Throne Speech, supported by the white papers to come, gives us reason to believe that we are fortunate in having an outstanding Prime Minister who is deeply aware of the problems of the day and who is determined to provide the salutary remedies that are required. It is too early indeed to state that we have a national leader of the qualities of a Chatham, a Gladstone, or a Disraeli, but the indications to date give us at least cause of great expectations. I for one, honourable senators, am particularly pleased by his recent manifestations of anger and resentment against people in certain quarters, and I should like to feel that the medical profession have available what we might call anger pills so that we may supply our Prime Minister with the same in order that he may remain in this mood for some time to come, at least until the promised measures are taken to rid the national scene of repetition of some of the incidents that we, as Canadians, would like to forget.

In the time at my disposal I propose to deal with only a few of the subjects referred to in the Throne Speech, more particularly the subject matters of defence, economic development and regional disparity. I should say in passing that the dangers of inflation have been exhaustively dealt with to date, and the studies in depth that have been made with respect to constitutional reform and national unity do not call for any particular observations on my part, as they would merely lead to repetition and redundancy. In any event, it is hoped that further opportunity will be given to us in this house to deal with these important matters, and my views on them will be dealt with, I hope, in due course in some detail.

We have been so concerned with the divisive and centrifugal forces that are almost rending our country apart that we overlook the paramount importance of having the necessary armed forces to protect our natural borders. I am, therefore, of the view that the matter of North American hemispheric defence should engage our attention and study more intensively, and, subject to the necessary protection of our national sovereignty, we should work in close unity with our great neighbour to the south in order to co-ordinate our respective policies, and then proceed to implement them in such a fashion that our resources, economic, scientific and human, are so used that our national defence policies will have exploited these resources to the fullest degree and in the most constructive fashion.

Having regard to the necessity of such close co-operation for defence purposes, I lean more and more to the view that we should attempt to develop a plan with the United States of America, pursuant to which, during a period of say ten years, we will have established a complete free trade area between Canada and the United States. In my opinion, this will be to the advantage of Canada, although in the process of reaching such an objective due regard must be given to the retention of our complete and absolute sovereignty, and to the necessity of implementing the necessary economic, political and legislative measures in such fashion as not to hurt certain segments of our Canadian economy, which will be obliged to adjust themselves to the ultimate new scheme. It seems to me unnatural that in times of peace our two countries should go our respective ways, sometimes at cross purposes to each other, and at the same time expect that we should, God forbid, in the event of war, have immediately available the necessary techniques and machinery pursuant to which we would work under great pressure in concert with each other.

The majority of people in my Province of Quebec, more particularly the French-Canadian residents, feel that in the partitioning of Canada's economic cake, a proper portion has not been allocated to them. Rivers of ink and compendious volumes on the subject matter of constitutional reform and national unity will be of no value unless there is brought about some redistribution in the leverage of economic power so that responsibility and interest will be associated with the ownership of property at stake. It is not enough to provide employment in distressed areas, nor do we assuage the hurt feelings of a great portion of our people by this method. Long-term credits should be made available for the purpose of enabling those who feel themselves

dispossessed to acquire an equity stake by way of share ownership in some of the great corporate institutions of our country, whether industrial or financial. This should be and could be a great cohesive force in overcoming the present deep resentment. There may be some difficulty in following this plan with respect to existing companies, because the investors might feel that they are being asked to pay too high a price for such participation. This objection, however, should not apply with respect to new corporate entities. My impression is that such efforts at redistribution could be further identified and developed in a proposed policy with the United States, leading to ultimate trade reciprocity, always keeping in mind the necessity of emphasizing the importance of revitalizing the economic life of certain parts of our country, and in this connection the Maritime Provinces, a greater part of Quebec and some part of the Prairie Provinces would be entitled to high priority considerations.

Some honourable senators may be surprised that I suggest such drastic action to meet the present crisis. Have I lost faith in Canada? Have I lost faith in my own province?

Today's Montreal *Gazette* carries a Canadian Press dispatch from Chicago referring to a visit of General Jean-Victor Allard, recently named Agent-General for Quebec in the United States. In this dispatch, the General is quoted as urging Canadian companies to send their personnel for temporary periods to the United States to gain technological and managerial experience.

The General stated that he would like to see Canadians from the St. Lawrence Valley especially work in the United States so that they could bring back to Quebec new technological and management skills. The General further stated that Canadians must make greater efforts to invest in their own country while at the same time making sure that they do not discourage the inflow of capital from the United States.

In this connection, honourable senators, and having regard to my suggestion, please keep in mind that at present 70 per cent of our exports go to the United States and 75 per cent of our imports come from there.

General Allard is a spokesman for the present Union Nationale Party in Quebec, which surely cannot be described in any way as indifferent to the fate of French Canadians in that province.

[Hon. Mr. Phillips.]

The serious cleavages evident in my province call for drastic remedies of a non-political nature and should, therefore, receive the support of Canadians at large. The figures recently made available to the public, and only a short while ago referred to by the Prime Minister, indicate a precipitous economic decline in my province. In dealing with the subject matter of economic disparity, and subject to provincial approval, designated areas requiring support by way of incentives, as dealt with in the legislation of the last session, might very well be extended for a short period to practically our entire province. The issue is grave and affects the national life of our country and should not be regarded as a local or parochial problem.

When I was a youth, I lived with the conviction that the twentieth century belonged to Canada. Alas, such expectation has not been realized. How disturbing it is to see that countries such as Japan and Germany, defeated nations of the last war, have outstripped us in rates of growth, both internal and external, and with currencies stronger than that of our own. This situation has been brought about by over-emphasis on the difference between the various ethnic, religious and cultural groups of our country, and also by over-emphasis of the problem of distribution of property and wealth, rather than concentrating more on the urgency of productivity and the necessity of self-restraint so as to put us in a stronger competitive position.

An article in a recent issue of the *Financial Post* reminds us that in the past year the exports of the West European countries have risen by 27 per cent, those of the United States by 17 per cent, those of Japan by 22 per cent and those of Britain—after all that it went through—by 18 per cent. Canada's exports are up only 9 per cent. We should be sufficiently mature and sophisticated to admit that, with the natural resources with which God has endowed this great country of ours, we have been unequal thus far to the challenge, because we have exhausted our energy in bickering and mutual recriminations. One hopes that this sad and even grim chapter in the post-war history of Canada is ended and that we can now turn the page to read happier lines.

We must place ourselves in the very forefront of scientific and technological attainments. In this connection we are reminded of the outstanding leadership given thus far by Senator Lamontagne and his committee. His initial report indicates what we may expect, and I have no doubt that the leadership taken

by this house in appointing this committee will have a profound and lasting effect on the improvement of Canada's industrial development, as well as leading to increased status in the economic, cultural and intellectual spheres. Knowledge that will be so acquired as a result of this study should give a terrific impetus to Canada and, when coupled with the renewal of faith and confidence, would enable us to make up for what have been, alas, lost opportunities.

In my view it is not accidental that Germany, which has re-valued its currency, governs its national finances with such restraint, including what is, in effect, a statutory limitation of debt. Such statutory limitation of debt should, in the main, be related to the gross national product experience, although it should not necessarily be wholly compounded by this factor. I have, honourable senators, on previous occasions in our Standing Senate Committee on National Finance and in considering the Estimates, taken the position that we should establish a ceiling on national debt. It is true that the present Government in its austerity program is setting a good example, but I think it would be much more helpful if the executive branch of government were bound by Parliament's restrictions which would be set, of course, from time to time. The necessary flexibility would have to be provided to cover national emergencies, such as war or grave national crises.

I know that I belong to a minority in the expression of these views, but nevertheless I am frankly taking advantage of this forum to express them again, in the hope that they will receive more attention than has been given to them thus far.

One of the most satisfactory aspects of the Throne Speech is the indication of the white papers that will be brought down and to which I have already alluded. This indicates the desire of the Government to take Parliament and the public into its confidence and to ask for their considered views before final legislation is brought down on any particular subject. I think that for the first time in the history of the Senate when our Standing Senate Committee on National Finance reported on the Estimates last session, its report included the recommendation that no major tax legislation be introduced with immediate effect, without giving Parliament and the public the opportunity of being heard beforehand. I am glad to say that the White Paper that will deal with the subject matter of taxation will give us all an opportunity of expressing our views on this very important matter.

The White Paper on the subject of social security is being awaited with keen interest. It is here that we should surely see the thinking of our Prime Minister in his effort to develop the just society. There seems to be a consensus in Canada that our cradle to the grave legislation must be completely revamped. I for one hope that, without in any way minimizing the importance of protecting the dignity of the individual, of providing proper housing and of protecting the health of the Canadian, there will nevertheless be re-introduced, somewhat more effectively, the element of compensation for effort and even the re-introduction of minimal punitive aspects in terms of lesser economic benefits for those Canadians who simply refuse to give of their best in enabling Canada to reach its high goals. There is some feeling that our permissive society has led us into some blind alleys and that we must make every effort to return to the high road of achievement.

Senator Croll in a remarkably able speech—for which I am sure we should all congratulate him—on the subject matter of the poverty inquiry which he is heading, yesterday closed his remarks in this chamber by referring to the 1929-1949 period, and he used the challenging expression that we have been wandering for 40 years in the wilderness but that he now sees evidence of the Promised Land. Unfortunately, some of our fellow-Canadians, familiar with the Bible, remember that the Lord provided manna every morning without the eaters being obliged to work.

To balance Senator Croll's observation in that respect—and I am sure Senator Croll will forgive me because of our common origin—may I also refer to the Holy Text? May I say that earlier in that Holy Text there is a reminder about being obliged to work for six days and resting only on the seventh.

In any event, we should not forget that the Promised Land was only attained by blood, sweat, tears and hard work, and when it came to the necessity of reaching the Promised Land, the idealists like Moses had to give way to fighting men like Joshua before they attained their goal.

In all this I am only emphasizing again that it is essential that we keep in mind the good old virtues and do not forget the necessity of continuous productivity in all aspects of our life.

As a lawyer, I am delighted to note that there will be a bill to create a law reform commission, whose task will be the improvement and modernizing of the law and its

administration at the federal levels. In the light of what has recently happened on our streets and elsewhere, need I say more on the desirability of this great reform being enacted as quickly as possible.

The proposed granting of the electoral franchise to persons who have reached 18 years of age is one that meets with my approval. In ancient times, some 2,000 years ago and more, the then rabbis, in dividing the ages of man, spoke of 18 years of age as the age of marriage; and at that age a person, male or female, had reached that degree of maturity which qualified him or her for that exciting experiment. In so expressing approval, I am sure we all hope that when this new generation is brought into the electoral mainstream it will learn to appreciate, possibly more than it does now, the value that should be given to the judgment and experience of those who are older than they.

The history of mankind is replete with proof that progress is made by gradual evolution and adjustment of institutions to the current needs of the day. The world today and its institutions represent, in a sense, the residual experience of past generations, although admittedly some of them obviously call for change, reform and renovation. The revolutionary process is repugnant to those of us in the western tradition and in the western world who have been reared in the democratic tradition and the paramountcy of Parliament. We hope that the extension of the franchise will bring about a partnership of youth and its idealism with their elders and their more sedate judgment. The experience of the Roman Empire, which after all lasted for century upon century, gives us cause to appreciate the warning of its literature that we should, in the revamping of our institutions, hasten slowly—*Festina Lente* is the message of Rome to us.

To me the most inspirational paragraph in the entire Throne Speech is the following:

> Our aim is a strong and productive country soundly equipped to face the future; but we are equally concerned with the individual Canadian, his rights and his interests. The Government regards national progress and individual fulfilment as indivisible components of its mandate.

It is in this connection that I should like to refer to what I believe to be our over-emphasis of the phrase "gross national product". We have volumes upon volumes and innumerable schedules comparing the gross national product of our country in prior years and by way of comparison with other countries. Unfortunately, part of our gross national product is indeed gross and vulgar and we need not be proud of it. I think that we should pay a little more attention to the dignity of man and to his inherent decency, if given the chance, and that is why I am impressed by the reference in the Speech from the Throne which I have just quoted. Last year, in speaking before you, honourable senators, I stated that no legislative and executive remedies would cure Canada's ills unless we learned to respect each other more and make allowances for each other's faults and frailties.

Let us, therefore, fellow Canadians—and I use this forum for this message—attempt to set aside our small and narrow prejudices. Let us raise our sights. Although we keep our feet on the ground in terms of realism and stability, let us also realize that God gifted us with eyes with which we can look to Heaven. It is only then that we will all be inspired by the desire to work together and achieve Canada's national destiny which surely Divine Providence had in mind for us. Let us turn the page to the Book of Ecclesiastes, which says: There is a time to weep and there is a time to laugh. Honourable senators and fellow Canadians, let us close the period of weeping and let us work together in such fashion as to justify the hope that around the corner there should be a time for joy and laughter.

Hon. Allister Grosart: Honourable senators, I welcome this opportunity to pay the traditional customary compliments which, although they are customary, are in my case nonetheless sincere. At the outset I want to say to His Honour the Speaker that we are all happy to see him again presiding over our proceedings, and even though at times I may add to his difficulties, he handles all situations with that admixture of dignity and good humour which is so characteristic of His Honour both in his private and public capacities.

I wish also to pay my compliments to the Leader of the Government who has, as I think all honourable senators will agree, brought added distinction to this chamber in many ways since he has become leader here. To my own leader, who is unfortunately not here today because of the death of his mother, I say on behalf of all of us on this side of the house that we are proud to serve under him as Leader of the Official Opposition. I say on behalf of all honourable senators, we are

proud of the contributions he makes to the affairs of the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Grosart: I pay my compliments also to the deputy leaders on both sides whose work we all know contributes greatly to the smooth working of the affairs of the Senate but who do not always get the credit they deserve for the long hours they put in and the guidance they give to all of us in our activities here.

Let me also pay tribute to the mover and seconder of the address in reply. Perhaps it is not flattering to say to them, but I mean it to be flattering, that it seemed to me there was much more substance in their speeches in moving and seconding the motion for an address in reply than there was in the Speech from the Throne itself. Personally, I thought that the seconder made out an excellent case for the forbearance with which Canadians in Western Canada—and by inference, all Canadians—are learning to live under the injustices of the so-called Just Society.

The mover, in a speech that ranged over all the topics covered in the Speech from the Throne, at one point dealt specifically with our international obligations in the matter of development aid. With his permission, I would quote what he said, because most of my remarks today will be in the same context. Senator Desruisseaux said:

> We have indeed the feeling that our Canadian Government has a special responsibility and that we will have to respond to such an appeal by making a careful assessment of foreign needs in comparison with the difficulties encountered here in Canada.
>
> The financial situation of all Canadian governments, especially that of provincial and municipal governments; the tremendous increase of deficits and debts; the already belated requirements of such heavy appropriations to implement some anti-pollution measures, for instance; the number of underdeveloped areas in Canada and the fact that Canada has still to solve the problem of its four million destitute citizens—all those considerations could restrict, from a practical point of view, the reaction our Government would like to create.

My first observation is that such a recital of the problems facing Canada is rather unusual this early in a session of Parliament. I do not know what its purport may be, but it is remarkable that the Speech from the Throne, the speeches in this debate and others we have heard, seem to stress so much the difficulties in which Canada finds itself. Senator Phillips (Rigaud) a few moments ago said, in effect, that we should be ashamed that we are still faced with these problems when we are blessed with such great resources. However, perhaps it is a good thing that the Government has engendered in its own thinking and in the thinking of Canadians generally the realization of the fact that we continue to have problems, that the present administration has not solved them all and has not brought about the "just society," but is hopefully prepared to do more now than has been done in the past five years.

My second comment on the quotation I gave from Senator Desruisseaux's speech is that I hope he is quite wrong when he says that all these problems that face Canada *could* restrict, from a practical point of view, the reaction of the Canadian Government to what he has called "foreign needs." I am sure that he was referring to the needs of the developing nations of the world.

Honourable senators, it would be a tragedy if Canada so reacted. Of course it is true that charity begins at home but, as honourable senators are well aware, there has been a complete survey of the needs of developing nations and of what the developed nations must do to bring about any kind of equality in the world. I refer to the publication entitled *Partners in Development*, which is the report of the Commission on International Development, the Chairman of which was the distinguished former Canadian Prime Minister, Lester B. Pearson. In that report he gave what I think is the answer to the problem posed by Senator Desruisseaux. Mr. Pearson said:

> The war against poverty and deprivation begins at home, but it must not end there.

I see a danger in the suggestion made in the quotation I have given, that for a time we in Canada might be prepared to let the war against poverty end at home—or perhaps be curtailed—because, regrettably, that is the trend around the world today.

It seems almost inconceivable, with the problems facing some one hundred nations, that the total of international development aid has actually declined in the last year or so. I am glad to say that this does not apply to Canada, despite some of the figures that

appear in this report, upon which I will comment later. I do not question the validity of the figures, but I think you will agree with me that, as far as Canada's role in international development is concerned, such figures could be most misleading.

The report indicates something of the magnitude of the problem that faces the world in which we live, and I hope that no one in this chamber, at least, will regard this as a problem only of other people. It is a Canadian problem. If this report means anything, it makes it clear that it is a problem of the developed nations every bit as much as it is a problem of the developing nations.

Some of the Canadian delegates who were in Trinidad at the C.P.A. meetings and others who have been abroad have made it clear to me that two-thirds of the people of the world are becoming very impatient. There are many reasons why this is more so today than during other periods. They know how well the rest of us are living. They would not be at all impressed with the magnitude of the problems facing Canada, about which we have heard so much since this session began. What we call problems, to them would be almost desiderata of living. What we call poverty, to most of the people in the world would be affluence.

I say the evidence is that they are getting impatient. When I say it is a Canadian problem, I say it because history does repeat itself, and there were other "have" nations in other periods of time who felt every bit as secure as we may tend to feel now in respect to the "have-not" nations.

I am speaking of two-thirds of the people of the world, or 66 per cent of the population. Their total share of world GNP at the moment is about 12.5 per cent. The rest of us—the other third—enjoy the remaining 87.5 per cent.

In many nations of the world today the per capita income is less than $100, in comparative terms. This applies to such nations as India, Pakistan, Indonesia, and Nigeria. The "rich" nations among the developing nations have a per capita income of from $400 to $500. These are the well-to-do nations at the top of the hundred, such as Mexico, Chile, Venezuela, Greece and others.

Is there any hope? Mr. Pearson's report makes it clear that we have not done all that we hoped to do in the twenty years during which donor nations have assumed some responsibility in this area, but it does hold out hope for the future if we respond to the challenges, and if we become sufficiently concerned with this problem to do all that the report suggests must be done.

It is often said that it is not all a question of help from the developed countries to the developing countries. They have to do their share. The report again makes it clear that there are many deficiencies on the side of the developing nations as well as on the side of the developed nations. But, on the other hand, the developing nations are making a valiant effort. Ranging over the whole one hundred nations we find, for example, that 85 per cent of the new investment in the last few years in these nations was financed out of domestic savings. We find that they have actually outstripped us in the annual increase in the production of electric energy. Their annual increase averaged 10.5 per cent in the period from 1948 to 1967, as against our 7.7 per cent. Honourable senators will realize, of course, that they started a long way back, but the evidence is that they are trying. On the other hand, they have one physician, on the average, for every three or four thousand people. Their export earnings, which are the life blood of development in these countries, have not been increasing at anything like the rate in the developed countries, which means that the gap between us continues to widen. Between 1950 and 1968 their share of world exports actually dropped from 30 per cent to 20 per cent. It is true that they have maintained about the same rate of growth in absolute terms as the developed nations. However, at least half of this has been completely nullified by population growth.

The figures are interesting—I will give them first for the developing nations, and then for the developed nations. The total per capita production of the developing countries increased by 5.0 per cent annually, while that of the developed countries increased by 4.8 per cent annually. On the other hand, the population increase in the developing countries was 2.5 per cent, leaving them with a net increase of 2.5 per cent, against a net increase of 3.6 per cent in productivity per head over this period in the developed countries.

Nobody knows how great the problem of unemployment is in these developing nations. There are many reasons for that. Statistics are difficult to obtain, and definitions of "unemployment" differ from country to country. The International Labour Organization—which, incidentally, is meeting in Ottawa this

week while celebrating its fiftieth anniversary—is conducting a very widespread survey, and it is hoped that this will provide some figures on the true magnitude of unemployment. Certainly those figures will indicate that by our standards it is at least an average of 20 per cent throughout the developing nations of the world.

Honourable senators, that is a brief outline of some of the aspects of the problem. The report makes some very positive recommendations. It seems to me that they are almost minimal recommendations, because my own expectation was that they would be much more drastic. The main recommendation is that the developed nations should increase their development aid to the level of one per cent of gross national product by 1975. This target has been talked about for a long time. It was set by the United Nations Trade and Development Conference, and is again endorsed in this report.

The report also recommends that 70 per cent of the aid from the donor nations should be from official sources. This is very important so far as Canada is concerned because our percentage of "official" to total aid is already very high. The report makes some very broad recommendations as to what the nature of the aid should be. It recommends the progressive untying of aid. Honourable senators are aware of the significance of that. Tied aid is aid which transfers resources, but not money. It transfers the resources of one country to another, and therefore the purchases are tied to the economy of the donor country. It has many disadvantages, and it considerably lowers the actual net value of the aid given.

The report also recommends that the percentage of multilateral aid in the total aid of the donor nations be increased from the present level of 10 per cent to 20 per cent. This refers, of course, to the aid which goes through such agencies as the United Nations, the World Bank, the International Finance Corporation, and other international bodies.

The report deals, of course, also with trade. When I listened to the Speech from the Throne I had at the back of my mind some of the recommendations that were made in the matter of trade by the Pearson Commission. With your permission I would place them on the record in summary; I will not read them in toto. I thought how different the Speech from the Throne would have been and how different its impact around the world if some or all of these recommendations had been included. The Leader of the Government might not have had to apologize for it as merely a "philosophic" document which had to be given substance by two annexes the next day, one of them a dull echo of the past and the other a sort of pious hope for the future. Instead of the "philosophy" we were given, we might have been told that Canada was going to start on something concrete, such as these recommendations of the Pearson Commission. Some of these may startle honourable senators. Substituting "Canada" for "developed countries" in the report, some of them would read: Canada should eliminate as soon as possible excise and import duties on non-competing products of special interest to the developing countries.

Canada should draw up plans in respect of protected commodities designed to ensure that in time an increasing share of domestic consumption is supplied by imports from developing countries.

Canada should be financing buffer stocks in support of commodity agreements.

Canada should have no new quantitative restrictions on products of special interest to developing countries. This is said in spite of the fact that every now and then during the last session we saw, and no doubt throughout this session we will see, hidden away in Orders in Council quantitative restrictions on imports from developing nations.

Canada should establish a generalized non-reciprocal scheme of preferences for manufactured and semi-manufactured goods.

The I.M.F. should study a clearing arrangement for the financing of trade, and Canada should provide financial assistance directly and to Regional Development Banks.

One wonders if any developed country is going to pay any real attention to such recommendations. Are we prepared, really, to open our own markets in order to help these countries?

I said that the Pearson recommendations are minimal, surprisingly low, and even these suggestions to my mind come under that heading.

I said that the report is not altogether fair to Canada, if read as it stands. For example, at page 148 we find a table showing the official development assistance of various selected countries as a percentage of G.N.P. In it Canada is shown as contributing .28 per cent in 1968. This puts us below Austria, Belgium, France, Germany, Japan, The Netherlands, Norway, the U.K., the U.S. and many other countries.

I am glad to say that the table, if it were a little more explicit, would show the Canadian

commitment this year as .55 per cent. The figures in the report are actual flow figures rather than commitments made, and in Canada's present position there is a vast difference. Fortunately, the amounts committed by Parliament for development aid do not end with the current fiscal year but are carried forward. So there is no question whatsoever that in the years ahead Canada's position will be shown as greatly improved. The .28 figure is not incorrect as far as it goes, but it is not a realistic indication of the Canadian effort.

Again, at page 150, the flow of development assistance from Canada is shown as $175 million. Actually, we appropriated $280 million, which will be spent. Honourable senators might ask why the lag between the two. It is rather unusual for any government department to fall that far behind in spending money appropriated. There is a very good reason: that within the last two years, particularly under Mr. Maurice Strong, the present director of CIDA, Canada has been making a very careful analysis of the quality of its aid. We were one of the countries which very quickly came to appreciate the fact that there was a tremendous amount of waste in international aid. It is understandable; we were learning with other countries. Like them, Canada made many mistakes. Many of these mistakes are detailed in the report. We have deliberately held up on the spending of this money until we are sure that there are objectives to which we could respond, knowing that we were truly contributing to the development of the recipient nations. This is one reason why the name of the office which handles this important part of Canadian policy was changed from the External Aid Office to the Canadian International Development Agency in order to stress Canada's insistence that money we spend abroad as official development assistance be used for the development of those nations.

I said that in some aspects the report is pessimistic about the past, but it is optimistic about the future. I will not take the time now to detail some of the very interesting statistics in this report. I will summarize, if I may, by saying that the report gives a very definite affirmative answer to the question as to whether there is any hope. The report says yes—not tomorrow, or the next day, but based on the development experience of the past 20 years, if the developing nations will meet this modest target of one per cent of the G.N.P. by 1975, with 70 per cent as official aid, most of these countries, certainly by the end of the century, will have passed the take-off point at which their own economic development can carry on under its own steam. I recommend to honourable senators the proof of that statement which is so well documented in this report. Incidentally, the 18.9 per cent shown at page 150 as the annual increase in Canadian official aid required to meet the 1975 target is really only about 8 per cent on the basis of current commitment.

One of the great numerical deficiencies in our Canadian aid to other countries is in the private sector. We are certainly one of the lowest of all the major countries in our private sector investment in developing nations. There are many reasons for that. There are also some reasons to believe that some process of correction will take place within the next few years. Some hope is being placed, I know, by our officials on the Export Development Corporation Act, which in part was designed specifically to facilitate the flow of investment money from the Canadian private sector to developing countries. There are also some very large plans now in hand by some of our major companies for what in the terminology of this business are called lump investments, which should considerably raise the private sector percentage of our total aid.

Honourable senators, I have dealt at considerable length with this international problem within the context of our domestic problems. I conclude by repeating the statement I made earlier from Mr. Pearson's report, that the war against poverty and deprivation begins at home, but it cannot and must not end there.

Hon. Mary E. Kinnear: Honourable senators, speaking in the debate on the address in reply to the Speech from the Throne, I wish to pay my respect to Mr. Speaker, the Honourable Jean-Paul Deschatelets; the Leader of the Government in the Senate, the Honourable Paul Martin, whom I wish to congratulate most heartily for his kindness and thoughtfulness to us all, and for the efficient manner in which he conducts the affairs of the Senate; also the Leader of the Opposition in the Senate, the Honourable Jacques Flynn, the Acting Leader of the Opposition in the Senate, the Honourable Lionel Choquette, and the Deputy Leader of the Government in the Senate, the Honourable Leopold Langlois. I should also like to congratulate the mover of this motion, the honourable Senator Desruisseaux, my seatmate, and the seconder, the honourable Senator Everett. I would also congratulate those who have spoken today, Senators Phillips (Rigaud) and Grosart, both illustrious speakers.

Today I wish to try to elaborate on one of the major problems facing Canada, namely, pollution. For that matter, this problem faces the nations of the world. So much has been written about pollution that today it is a topic in every household. Canadians are becoming aware of the danger from impure water and agricultural products that have been sprayed by harmful insecticides and pesticides.

Driving along our highways we see a sorry amount of pollution, such as the periodic burning of huge piles of rubber tires giving off long columns of very heavy, black, oily smoke. Many ships are doing the same thing. Of course, everyone has seen the heavy smog that hangs over our large cities. Another vexing question is that the air is polluted by fall-out from nuclear blasts, and we must be sure that the fall-out is at a safe level. One thing we can be thankful for is that the waste from atomic energy is stored in safe receptacles.

In some areas industries make a valiant start at cleaning up their effluence but fail to continue because of expense. Be that as it may, we must find ways of cleaning up the air, either by shared costs, internationally, nationally, provincially or municipally, or by the other most reliable source, the citizens of Canada through the taxation structure.

There is another source of pollution that is put into the soil by harmful insecticides and pesticides. Recently DDT has been removed from the market. I asked a scientist about the amount of lead and mercury in vegetables. The answer was vague, as he acknowledged that there was some and that they know about how much a human body can stand. However, he did not wish to elaborate, but I think now is the right time to put a stop to excess in spray damage. The residue of certain sprays remains in vegetables, fruit and other agricultural products, and we the consumer eat these products, and harmful residue remains in our systems.

The proposed Canada Water Act speaks of water quality. This is most important, as we do not wish to use water that is at the borderline of impurities fit for using. On the contrary, we need an excellent water quality that is pure enough for drinking from a well. All wells do not have pure water, and I mean wells that are used by summer residents along our lakes and rivers. I have feared that wells are not tested often enough, and many of them are too close to sewage. It is established that much contamination comes from untreated sewage from summer resorts where sewage drains into our lakes and rivers. If you use a small plane and fly at a low altitude over the Great Lakes area you will have no trouble seeing the sources of pollution. You will see drainage in various colours entering the lakes. This can be traced to municipal sewage, industrial waste and, as I mentioned before, drainage from summer resorts.

Despite the national urgency of this problem, an article in the October 1969 issue of *Monetary Times* says in its opening paragraph:

> No one wants to admit it publicly, but it may be as long as a decade before the new Canada Water Act is fully operational.

In my own view, by that time we will be hopelessly engulfed in pollution, if it increases at the rate of the past decade. It is more likely to increase at a faster rate.

The other side of the picture is that the Government, through research stations strategically located across Canada, will be able to determine the remedy for this situation. Then the Government, through legislation, will find suitable means to establish controls which will demand disposal facilities of the effluence from industry, et cetera.

We need more sewage treatment stations. Here is another quote from the *Monetary Times* of October 1969:

> The Department of National Health and Welfare shows that most major cities in Canada are going to have to foot increased bills for water treatment. The Study showed only 8 of Canada's 18 largest cities have 100 percent treatment. In smaller centres, the percentage of those with proper facilities drops rapidly.

I would like to place on the record a quotation from the Welland *Evening Tribune* of September 26, 1969. This is a report of an address given in the Welland area:

> An iron additive which Michigan authorities say will eliminate 92 per cent of the phosphorus in sewage dumped into the Detroit River and Lake Erie is to go into use January 1, 1970.
>
> F. B. Frost, Chief Engineer of the Michigan Water Resources Commission, said Thursday that Michigan municipalities are adopting the process to meet new phosphorus level requirements set by the commission. He told the Gas and Petroleum Association of Ontario annual meeting: "We have already ordered all major urban areas along the Detroit

River and Lake Erie to remove a minimum of 80 per cent of phosphorus from their sewage by 1977 at the latest. Michigan now aims to achieve the 92 per cent reduction in phosphorus contained in sewage as soon as possible."

He said industry would continue to dump billions of gallons of waste into the Detroit River and Lake Erie, but "It's not the quantity of waste, but the quality of waste that counts."

Probably not as quickly as we would expect, but governments at all levels are working on a formula to rid the country of pollution. I am certain that this will result in the inland waterways being clean again. Fisheries will flourish and trade will be improved.

There is pollution everywhere in Canada, and now we learn that sea currents are spreading pollution between distant points. The Science Policy Committee was told in Europe that sea currents are carrying pollutants to Sweden from as far away as the British Isles. Our own Arctic is not free from pollution. Migratory birds are carrying pollution from the infected foods they eat to the northern parts of Canada. The large hawk will be extinct soon unless we can stop the effect that poisonous sprays have on birds and other wild life.

The task of controlling the level of pollution within livable safety of all Canadians is an arduous one. I believe it can be done. Public opinion demands it, and I am certain Canadians will respond by paying the necessary taxes. I do not agree that some industries will have to close because of the cost of providing safeguards from their pollutants. They can arrange to pass the cost on to the consumer. We, the people, in the long run pay the extra cost for all goods and services.

Our scientists are discovering new designs for industry, new and more effective chemicals, new computerization, better health aids, et cetera. Surely we can expect them to turn their attention to this most complex and vexing problem of the disposal of waste. We must not allow a decade to pass before the Canada Water Act is fully operational. Pollution should be high on the priority list.

Honourable senators, I shall close by quoting from the Speech from the Throne:

> The Government has made known its views on this serious problem, and has begun urgent discussions with the provinces. Upon their completion, the Government will introduce legislation which will enable it, in co-operation with the provinces to improve and preserve our water resources. Thus may we assure ourselves of their continuing benefit for our own domestic use, industrial expansion, and recreation.

[Hon. Mrs. Kinnear.]

Honourable senators, we have many difficulties and problems to solve, but we are very fortunate to live in this great country called Canada.

On motion of Hon. Mr. Smith, for Hon. Mr. Stanbury, debate adjourned.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—SECOND READING

Hon. Louis P. Gélinas moved the second reading of Bill S-2, to amend the Quebec Savings Banks Act.

He said: Honourable senators, for a great many years two banks have operated under this act, the Banque d'Économie de Québec and the Montreal City and District Savings Bank. The first of these has been authorized to operate in the District of Quebec and the second in the District of Montreal, as these are defined in the act.

Earlier this year Parliament passed a private bill changing the status of the Banque d'Économie de Québec to that of a bank operating under the Bank Act, and effective on Monday, November 10, 1969, it will be known under the name of the People's Bank. The present bill to amend the Quebec Savings Banks Act will permit the Montreal City and District Savings Bank to extend its operations, if it chooses to do so, into that part of Quebec which lies outside the District of Montreal and, in particular, to operate in the area in which the Banque d'Économie de Québec will no longer operate as a savings bank.

Honourable senators, if this bill is given second reading today, I propose to move that it be referred to the Senate Committee on Banking, Trade and Commerce for further study. This is all I have to say in connection with the bill. I think that it deserves the kind attention of all honourable members.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

ADJOURNMENT

Leave having been given to revert to Notices of Motion:

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until tomorrow at 2 p.m.

Motion agreed to.

FOREIGN AFFAIRS

MOTION AUTHORIZING COMMITTEE TO EXAMINE AND REPORT ON FOREIGN AND COMMONWEALTH AFFAIRS

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

> That the Standing Senate Committee on Foreign Affairs be authorized to examine and report to the Senate from time to time on any matter relating to foreign and Commonwealth affairs generally, on any matter assigned to the said committee by the Rules of the Senate, and, in particular, without limiting the generality of the foregoing, on any matter concerning the Caribbean area;
>
> That the said committee be empowered to engage the services of such counsel and technical, clerical and other personnel as may be required for the foregoing purposes, at such rates of remuneration and reimbursement as the committee may determine, and to compensate witnesses by reimbursement of travelling and living expenses, if required, in such amount as the committee may determine; and
>
> That the papers and evidence received and taken on the subject in the preceding session be referred to the committee.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, October 30, 1969

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DISTINGUISHED VISITOR IN SENATE GALLERY

HONOURABLE NORMAN A. MACKENZIE

The Hon. the Speaker: Honourable senators, I call your attention to the presence in the gallery today of a very distinguished guest and a former senator; indeed, he was not only a very popular colleague of ours but one whose contributions to the Upper House, to Parliament and to the country have been outstanding. I refer to the Honourable Norman A. MacKenzie, C.C., C.M.G., M.M. and Bar, Q.C. Only two days ago he received from the Governor General Canada's highest decoration, Companion of the Order of Canada. Let me add that this is not only a well-deserved honour to our colleague, but one which reflects on all the members of this house.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report of the Department of National Revenue containing Statements relative to Customs-Excise Revenue and Other Services by Ports; Excise and Income of Canada, for the fiscal year ended March 31, 1969, pursuant to section 5 of the Department of National Revenue Act, chapter 75, R.S.C., 1952.

REVISED STATUTES OF CANADA

PUBLICATION

Hon. John M. Macdonald: Honourable senators, I should like to ask the honourable Leader of the Government if he can give an indication of when the work of the revising and the printing of the Statutes of Canada will be completed.

Hon. Mr. Martin: Honourable senators, I have been advised by the Department of Justice that due to unavoidable and unforeseen printing difficulties, the revision of the Statutes will not be available until June of next year.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Richard J. Stanbury: Honourable senators, may I begin by adding to those of other honourable senators my personal congratulations to Senator Desruisseaux and Senator Everett on the excellence of their carefully prepared addresses accompanying their proposing and seconding, respectively, the motion for an address in reply to the Speech from the Throne.

The speech which His Excellency the Governor General read on the occasion of the opening of this session of Parliament, as I listened to it, and then read and re-read it, impressed me on several counts. First, the beauty of the ceremony and the formality of the words led me to a contemplation of the great traditions of Canada—the heritage of two peoples, joined by a multitude of others, to live together in widely separated communities loosely tied together by Confederation, the two beautiful languages in which the speech was expressed, and the pioneering spirit which challenged simple people from all over the world to come, with the great qualities of faith and fortitude, to make a new life for themselves and their families.

Secondly, I thought of the great effort on the part of the Public Service and the ministers of the cabinet and their staffs, in preparing not only a comprehensive program for our consideration, but in being able actually to lay before Parliament 71 items ready for our scrutiny—the first time that such a feat has been accomplished in Canadian history.

Then I was intrigued by the fact that extensive reviews had been undertaken in external affairs, defence, tax reforms, citizenship, social security, information, postal service, and that these would be submitted for public debate in preparation for the drafting of definitive legislation affecting almost every one of the institutions of government in Canada. It reminded me of the admiration with which representatives of Scandinavian countries whom I met this summer talked about the apparent ability of the Canadian society to review and renew its institutions, as opposed to what they felt was their own

inability to do more than add new regulations on top of the old.

It occurred to me that we as Canadians had been well served by successive governments. However, gradually we had come to depend more and more upon government to do the constructive things in society. Therefore, we depend less and less upon our own individual and collective initiative to develop healthy relationships among us, to create a climate of understanding between our people and our Government, to preserve the heritage of our natural wealth. This is also true of our response to the needs of those billions of people in other parts of the world to whom the domestic problems of Canada seem as infinitesimal as their own probability of living past the age of 34 years.

The Government plans to reduce regional disparities. It attempts to legislate as to language and other civil rights. It tries to assert the equality of Indians and Eskimos with other Canadians. It tries to develop the machinery for co-operation between labour and management for the welfare of the nation. True, this is the role of government—to legislate, to make formal arrangements, to preserve rights, to urge co-operation. But the best legislation in the world, the best governmental efforts in the world, can never succeed in building an harmonious and dynamic society unless the things that government can do—the bare skeleton of the body politic—are fleshed out by the desire and determination of the private citizen and that desire is confirmed and strengthened by practical initiatives by individuals and groups of private citizens.

What are we as citizens doing to reinforce the Government's efforts to develop an understanding among the different groups who form the Canadian mosaic? Apart from the magnificent efforts of the Canadian Council of Christians and Jews to exchange students across the country, there is no society, no foundation, no association that has accepted the responsibility of creating the dialogue without which the Canadian people can never begin to understand the attitudes and problems of each other. What private agency is dedicated to developing the real people-to-people understanding between French and English? What wealthy Canadian has formed a foundation to bring Indians and Eskimos closer to their fellow Canadians and to let those fellow Canadians see and understand the degradation of body and spirit which has been their lot? Where is the initiative from big labour and big business to bring themselves together to develop, as has been done in West Germany, a formula for the dynamic growth of the economy, benefiting not only themselves but the little people as well?

Dialogue is the only answer to the regionalism and split personality of Canada. Dialogue is the only way in which Canadians can begin to understand each other and begin to develop a common consciousness of nation. But dialogue among the federal and provincial governments is not enough; and government cannot legislate dialogue. Dialogue must be the wish of the people, and there must be private individuals and agencies prepared to accept the challenge and facilitate the fulfillment of that wish.

In his address His Excellency said in part 1:

> A disturbing element in many countries of the world has been the rising tide of unrest, particularly among young people. It has expressed itself in many ways, in public debate, in peaceful protest and sometimes in violence. Our profound disapproval of the excesses must not blind us to deeply felt and legitimate aspirations. Many citizens in our own country believe that they are entitled to assume greater responsibility for the destiny of our society. Such demands insofar as they do not conflict with the general welfare, are the expression of a truly democratic ideal. They must be satisfied if our society is to attain its goals of peace and justice.

Does any honourable senator believe that this ideal is going to be reached, or even approached, simply by legislation lowering the voting age to 18, or indeed by any legislative measure?

Of course not. It is going to take the combined efforts of all political parties, all of the media, and of a great many private citizens to bring this to pass. The political parties must become the vehicles through which the problems and attitudes of each community across the land are carried to the people who have responsibility for government; vehicles through which the plans and actions of government are explained and tested and modified by the people in the communities. Nothing short of that kind of effort is going to bring the people into so close a relationship with government as to stem that rising tide of unrest that inevitably results in increasing violence. But no party can accomplish that task, even if it is the government party. The people must have a choice of vehicles, so the

burden lies upon all parties equally. For that reason and because the purpose is essentially non-partisan and altruistic in nature, because its aim is to raise the general level of political understanding and trust between the people and their government, I call upon all political parties in Canada to work together to develop the techniques of participation. I call upon all of the media of Canada to support and promote a brave experiment in democracy which may, at some time in the future, turn out to have been the crucial effort in stemming that rising tide of unrest.

And in case some of you are saying to yourselves, "But the job of a political party is to get members elected and then, if successful, help to dispense the patronage," I assure you that that is no longer and can no longer be the purpose of a political party in Canada. Of course it has a job at election time; but it has a more vital role every day of the year, on behalf of every man, woman, and child, to equip the Members of Parliament, whether in Government or in Opposition, with the attitudes and judgments of the democratic forces of the country, and to develop in the people a feeling of confidence and trust in their political institutions.

At another point in the Speech from the Throne, His Excellency said:

> Our resources are immense, but they are not inexhaustible. Although we must encourage their development, we must also conserve them and regulate their use...the Government will introduce legislation which will enable it, in co-operation with the provinces, to improve and preserve our water resources. Thus may we assure ourselves of their continuing benefit for our own domestic use, industrial expansion and recreation.

With all due respect to His Excellency, legislation cannot alone assure the abolition of the shameful evidences of pollution he has mentioned:

> befouled water, despoiled beaches, rotting marine vegetation, and diminished fishing.

Fortunately in this area private groups are springing up all across the country whose purpose it is to inform the public about the terrible toll that pollution has already exacted upon our society and to alert them as to the danger which is lurking on the horizon. But where are the service clubs who have the manpower and resources to carry out a massive campaign in every community to make people conscious of what they are doing individually to create pollution, to make them conscious of what their employers are doing to pollute their environment, to make them realize that their municipal and provincial and federal governments are frequently the worst offenders—and having done that, then to bring all that knowledge and understanding to bear, not just to obtain effective legislation—although effective legislation would be obtained more quickly with this kind of effort—but to put into the mind of every citizen a consciousness of the sources of pollution and what he himself can do about destroying those sources?

His Excellency further said:

> In addition to our work in international organizations, we are intensifying our direct contacts with many of the governments and peoples of Latin America, Africa and Asia. At this session, you will be asked to consider a bill to create a Canadian International Development Research Centre which will bring together Canadian and foreign experts on the problems of developing economies.

Now, this is a magnificent initiative on the part of the Government towards playing a truly effective role in assisting developing nations.

I have just come back from Germany, where I participated in a seminar of representatives of 45 countries, at which it was agreed that first priority in aid from the developed countries to the developing countries must be given to the conveying of technical skill, knowledge and the development of middle management personnel. I found that Canada is highly respected for the care with which it works with the governments of developing countries, to determine the programs which will be most helpful to the people of those countries. I agree with the Right Honourable Lester B. Pearson's report to the World Bank, which had serious implications for Canada in calling for the tripling of the resources we now devote to aid. I realize we are in a period of austerity and it is difficult to justify the tripling of any budget item. But let me assure you that while we live in the sure knowledge that our austerity will end some day, the people for whose benefit our aid programs are planned live in the certain knowledge that their austerity will deepen from day to day.

The key phrase in what I have just said is: "It is hard to justify." Recently when speaking to a group of people, one woman in the

group asked this question: "With all the cutbacks that the Government is making, how can it justify sending those hundreds of millions of dollars to people in other countries?" A recent poll showed that two-thirds of the Canadian people believe that aid to other countries should be cut back. While I know that it is not necessary to explain to honourable senators the reason why we must continue and increase our aid programs, my point is that no one is explaining to the Canadian people how vital these programs are, not only to the people who benefit directly from them, but to our own continued existence.

The same attitudes in roughly the same proportions are found among the people of the United States. I asked the American representative at the seminar what he felt to be the cause of the serious lack of understanding by the North American peoples of the needs of the peoples of the developing countries and our responsibility to do something about it. His explanation was one which I felt was equally valid in Canada. He said that in a democratic society the government as a matter of policy does not blow its own horn or develop propaganda about its programs. In general, domestic programs are visible to the people because they affect their daily lives; but foreign aid programs are not visible and they assume no relevance for the man who is fully engrossed in his working and family life. The answer therefore lies with private agencies which will take the responsibility of bringing these needs forcefully to the attention of the Canadian people and imposing upon them the responsibility to do their part. In this area we have a number of excellent private groups—CUSO, the Canadian University Services Overseas, is an outstanding example of an organization which, with the assistance of the Canadian Government, has made a tremendous contribution in developing countries. But who knows about it? Who knows where our CUSO people are and what they are doing?

We have the United Nations organizations, we have the Canadian Save the Children Fund, we have church relief funds, all sorts of excellent efforts being carried out by small groups helping in large ways, but there is no private agency taking the responsibility for explaining what Canadian dollars, whether tax or voluntary, are doing, why they are needed and what must be accomplished. There is no one "justifying" in the minds of the Canadian people the expenditures already being made and those vastly larger expenditures which must be made in the near future.

The last, but perhaps most urgent, area with which I want to deal is inflation. The Government has made no bones about what needs to be done and what it is prepared to do to stop inflation—to save the old and unprotected from the evaporation of their savings and their fixed incomes. No government can by itself stop inflation. The people, with the leadership of government, will stop inflation when management people, labour people, storekeepers, consumers, realize its dangers—when the ordinary man says, "I won't buy that just now"; when labour says, "Now is no time for big demands"; when capital says, "Now is the time to absorb some rising costs to give the economy a chance to level off." It is in the interest of each group to take this attitude and it will be only when they do so that our fight—not the Government's fight: our fight—to stop inflation will be won.

In summary, let me say that I have the greatest admiration for the Prime Minister and for the cabinet, which has worked not only hard but methodically to pinpoint the problems of our nation; to review the nature of our institutions; to draw, from a broad spectrum, ideas about the solutions for our problems and the renovation of our institutions; and to have ready in practical form so much proposed legislation. But legislation can only be the framework upon which to build a society.

The people themselves must want to build. They must want to live together. They must want to work together. They must want to serve together. There must be wealthy individuals who see the broad view and are prepared to devote their wealth to foundations whose objects are the fulfilment of that view. There must be groups of individuals who see a need and fill it. Service clubs, management and labour, political parties—all organizations, whose interest is the public weal, can, by defining their objectives and co-ordinating their efforts and with constructive help from the media, give the leadership which will bring people, who now live in regional enclaves, distrusting their political institutions, lacking a consciousness of any common bonds, and unwilling to accept their responsibilities to humanity, to recognition that their destiny lies in their own hands, that they can make this country what they want to make it, and that the Government of Canada, this Government, is bending herculean efforts to remove the causes of past frustrations, to open the doors of Canadian society, to let the Canadian people themselves

build the kind of society of which they will be proud and in which they will find personal satisfaction.

Hon. M. Grattan O'Leary: Honourable senators, I feel I must join humbly with those who have preceded me in congratulating the mover and seconder of the address. I have been in this house now for seven sessions, and I can say quite truthfully that these two speeches were the finest that I have heard on such an occasion.

I want also to extend my sincere condolences to the Leader of the Government and the Leader of the Opposition for the sorrow which came to them this week. And to you, Your Honour, I express my gratification at seeing your complete recovery from the illness that afflicted you some time ago, and to see you back in your Chair, directing with your gentle wisdom the proceedings of this chamber and keeping them in a civilized state.

And now I come to my assignment, which is to discuss the Speech from the Throne. I am afraid that I will speak, as I always do, with a sort of Celtic vehemence, but I would like to ask honourable senators to believe that in what I am going to say I am not speaking with rancor; for that sort of thing, I have no talent at all.

I must say in all honesty that, as I read the Speech from the Throne, it can only be described as a mishmash of platitudes—a thin, intangible, unsubstantial vapour. And this sort of thing—the noble affirmations which we read in the speech—this sort of thing has been going on now for some 18 months.

The East Block swarms with technocrats, the ministers are up to their ears in paper, in charts, in statistical systems, in cost-accounting systems, and information processing systems, but nothing ever happens. They call this a Speech from the Throne! Honourable senators, through a hundred years the representative of the Crown, the King or the Queen, as the case might be, has come here to represent the Monarch using the phrase and speaking for "my ministers." In the very first paragraph of this Speech we read this:

> I have the honour to welcome you to the Second Session of the Twenty-eighth Parliament of Canada and to present, on behalf of the Government, various matters which it wishes to lay before you.

Honourable senators, I think we can guess who wrote that particular paragraph, a paragraph which in my opinion, and I am sure in the judgement of many others in this country, placed the representative of Her Majesty in the humiliating position of being little but a messenger for the Cabinet. Honourable senators, if the present Government of Canada wishes to get rid of the Monarchy, and it may well be that some among us would support them, then surely their honourable course is to say so with manliness and courage, not to try to do it by a process of attrition in a furtive way, and not by "being willing to wound, but afraid to strike."

And what matters were laid before us in the words of the Governor General? Honourable senators, having watched and taken some part in politics for more than half a century, I know that for our tormented world there are no infallible solutions. But, honourable senators, this document does not even attempt to offer solutions. What it offers instead is a mish-mash of platitudes, as I have said, thin, intangible, unsubstantial.

For 18 months now we have had it dinned into us that this swinging government, given time, would burst forth with pie in the sky for everybody. They have been up to their ears, as I have said, in charts and graphs and what have you, and members of the Cabinet must have worn out their shoes, if not their sandals, tracking between the East Block and the microphones of the National Press Club, but nothing ever comes of it. The stage props are all there; the CBC orchestra is in the pit playing like mad and the starry-eyed young reporters keep telling us morning after morning how the Government is going to get tough. But, as I said, the curtain does not go up. We are always to be but never blessed. And certainly no honourable senator can say that there is blessing in this Speech from the Throne. Certainly there is no blessing in this speech for the more than 4 per cent of our people who are out of work, and in some areas up to 10 per cent.

I am looking now at the Leader of the Government in the Senate. How well I remember in the days gone by when another ministry of another political stripe was in office, how he would rise in the Commons day after day and ask in a voice trembling with solicitude, what on earth did the government intend to do about the unemployed. I don't see him rising now to ask this question.

Hon. Mr. Martin: In those days I never got an answer.

Hon. Mr. O'Leary: What blessing is there in this speech for the 20 per cent of our people who, according to the Economic Council, are living in a state of poverty? What blessing is there for the aged among our people? What blessing for the underprivileged? What blessing for the many suffering misery grievously from the ravages of inflation? There is certainly no blessing for western farmers who face ruin because they cannot sell their wheat. All the blessings these people I have mentioned get is a promise that the Government will see to it that their telephones are not going to be tapped. This is what this speech amounts to. Honourable senators, the social and spiritual health of this nation just cannot be determined in that way.

This is not a program; this is a yawn; this is a confession of impotence by the government of the day, that it cannot do its job.

Now, Sir, having disposed of the Throne Speech—because an intelligent discussion of something must have an intelligible content and there is no intelligible content in this speech, I am going to talk briefly about something I have wanted to touch on ever since I came to this place.

Two days ago there was an editorial in the Montreal *Gazette* on something to which the Senate might put its hand. However, before I come to that, I want to deal briefly with the proposition that has been made by the Government Leader here to the effect that the Senate could be more useful if it became more of an investigative body.

Now, this sounds logical enough, but when you consider the number of members we have on this side of the house, it is not practical. We do not have the people to serve those committees. Already we have had instances in the last session in which two committees met at the same time, and there were others like myself who were members of both. How on earth are you going to turn the Senate from the chamber that it is now, with the functions and historic traditions that it has, into an investigative body? I don't believe this is possible.

A few days ago my good friend and colleague Senator Connolly (Ottawa West) said that he felt that if at any time the members of the Opposition on this side of the house fell to 25 per cent or so below the number on the other side, the government should step in and appoint a number of Conservatives to redress the balance. Well, honourable senators, that has about as much chance of coming about as Pope Paul inviting the Reverend Ian Paisley to become a member of the Roman Curia. Such a suggestion is nonsense.

However, what this Senate could do is not merely to have a sober second thought about legislation which comes before it in bills, but also to find out what is being done behind the scenes, what is being done in an administrative way by Orders in Council. Some time ago, Senator Roebuck said, and quite sensibly, that this is ordinary administrative housekeeping. That is true, but, surely, before you can know what the Government really is up to, what the bureaucracy is up to, you have to look at several hundreds of those orders in council to see if they exceed the authority given to them by parliamentary statutes.

I believe that the Senate is not examining government administration, that it is not examining government action, but that it is leaving itself in ignorance about government action, without examining what the Government does between and during sessions with its many Orders in Council. But more than that, what are the bureaucrats up to?

I have on other occasions mentioned Clifford Sifton, one of the very able men of our public life in the past, who said that in his judgment the true role of the Senate in the future would not be to protect the country or Parliament from the power of the Executive, but to protect the Executive from the growing power of the bureaucracy. This is the trend at the present time—not only the growing power of the Executive, which has been dealt with again and again, but also the growing mass of power of the bureaucratic elite. That is what is happening in our government today. In the Office of the Privy Council, the Prime Minister's office, a half-dozen men are determining the course of the government of this land. It is not the Cabinet—half the poor souls do not know what is going on. Certainly the House of Commons does not know what is going on; nor do we know. Legislation is sent over to us and we examine it as best we can, but we do not know upon whose advice that legislation was drafted.

I think that the Senate could, through a special committee, summon these men before it and ask them why they were asking for certain expenditures, for certain changes in the law, and for certain new laws.

Honourable senators, the business of the Senate is not merely to put new laws on the statute books. I am not in favour of legislation being introduced in this house. I think that would merely make the Senate a rival or a carbon copy of the other house. However, I am in favour of the Senate trying to know what is going on and why it is going

on, and finding out why certain expenditures are being made.

I marvel sometimes as I go about these Parliament Buildings and I see evidence of expenditures being made everywhere. I saw a case in the Senate last year, in which a vast amount of money was spent recklessly on one committee room. I could never find out who authorized that expenditure, yet somebody must have signed the authority in the last analysis. Who gave the final authority?

This is the sort of inquiry I think the Senate could make. If we are going to give sober second thought to government legislation, then let us cover as wide a field as possible and not restrict it to mere bills that come before us; and let us find out what is being done in the months of July and August when Parliament is not sitting. And when the bureaucrats and a few persons in the East Block are running the country by orders in council, are those orders hidden government? Are they based on legislation, or are the bureaucrats going further even than the powers that have been delegated to them? This is what I believe the Senate should do.

More than that, I caution members of this Senate: Do not think we are popular with the public. We are not, but we would be more popular and earn more respect if more senators took the occasion to go out into the streets, to use the phrase used by the Prime Minister the other day, and tell the people what the Senate really does and what it is about.

I had an experience about two weeks ago. I was invited to go to Waterloo Lutheran University—

Hon. Mr. Martin: Would my honourable friend permit me to observe that while I cannot agree with all that he said, in many particulars I thought his performance at Waterloo was masterful.

Hon. Mr. O'Leary: I thank the honourable senator; I know he knows all about the Senate.

I must say that I have received literally hundreds of letters from people who said they did not know what the Senate was doing. I think that is true even among the young students who, in fact, had not done their homework, because in most cases a question is asked and an answer is given, but there is no supplementary question or follow through. However, these young people were honest and sincere. They were labouring under misconceptions, but were willing to be converted, and I think I gained some converts.

I am sure that the members of this Senate could go out in the streets and could talk to our service clubs and other organizations and make many converts to the Senate. This is my honest belief. I do not know how it could be done, but it seems to me it is something for the individual senator: every time he has an opportunity to speak to the public about the Senate, he should seize it—

Hon. Mr. Martin: Hear, hear.

Hon. Mr. O'Leary: —because, as I have said, the Senate is not popular. The Senate is the victim of political illiteracy and of editors who sit in ivory towers the year round and keep talking about things of which they know little. And, God knows, it is a victim of radio and television.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. O'Leary: Debate and discussion in this country have passed from Parliament to television, and much to my disgust. Last year some men, who ought to have known better, were not only trying to get television cameras into the House of Commons and into this chamber, but they also wanted a fleet of microphones outside. They wanted to take debate and discussion from Parliament itself into the corridors.

Now I am going to pass to something else mentioned by Senator Stanbury who preceded me. He spoke of what the Speech from the Throne called a rising tide of unrest.

Honourable senators, let us make no mistake about it: there is in this country a rising tide of unrest. It is not all racial; it is not all about language. There is a rising tide of unrest and discontent about other things. My own belief is that we are going through a semi-bloodless revolution, one more revelation of man's eternal disquiet; but I say that we cannot and we must not meet it only with counter-violence or despair.

We see crimes of violence, riots, illegal strikes, student revolutions, and even arson and looting. But, honourable senators, as much as we deplore these things, let us try not to make the mistake of arguing from the particular to the general, and of condemning and damning an entire generation for the excesses of a few. We must never, never bow to anarchy. We must never bow to nihilism. We must never bow to crime. But, for heaven's sake, let us at the same time be careful to respect dissent.

Above all, we must try to avoid meeting the adolescent ways of youth with adolescent judgment and behaviour of our own, and we must try to remember how succeeding generations often build monuments to the prophets their forefathers stoned.

One hundred years ago de Toqueville wrote that each period of change and tumult in the history of mankind resulted in greater benefits for an ever larger number of people. As a philosophic Conservative, as one of the few survivors of a vanishing breed of liberals with a small "l", that is my own confession of faith. There may be no wonder drug solutions, but we must believe that in the end freedom, sustained by law and sustained by patience and common sense, will find a way out; that millions of ordinary people will see to it that youth, and the poor, and the underprivileged will not be cheated out of their rightful heritage. I thank you, honourable senators, for your indulgence.

Hon. L. M. Gouin: Honourable senators, it is very difficult to speak after Senator O'Leary because he is one of the most eloquent orators I have ever heard.

Hon. Senators: Hear, hear.

Hon. Mr. Gouin: But, in his speech he did not seem to recognize fully the fact that under the present very difficult circumstances it is impossible to come with a blueprint for a logical reform, or some kind of a counter-revolution. I shall speak mainly about the rising tide of unrest, but I am not in a position to offer any immediate remedy. It is important, I think, that we examine carefully and calmly the situation as it now exists in my own province.

First of all, to His Honour the Speaker, I should like to offer my congratulations upon the dignified and efficient manner with which he presides over our deliberations.

I wish then to offer my sympathy to the honourable Leader of the Government (Honorable Mr. Martin) and to the honourable Leader of the Opposition (Honourable Mr. Flynn) for the bereavements they have suffered recently.

I congratulate, as other honourable senators have done, the mover and the seconder, Senator Desruisseaux and Senator Everett, of the motion that is now before us. Their addresses were absolutely outstanding. All those honourable senators who have spoken before me have done so in a remarkable way, and they deserve my congratulations.

I regret that I was not present when the leader on this side of the house spoke on Tuesday in the debate on this motion, but it was my privilege to attend the luncheon of the Canadian Club in Montreal at which he delivered an excellent address on the role of the Senate. In other words, he was doing exactly what Senator O'Leary suggested a few minutes ago. On that occasion Senator Paul Martin described eloquently and practically the role of the Senate, and I believe that all of us have to be thankful to him for his defence of this chamber, and for the efforts he so actively made to show its merits.

Senator Martin has been a distinguished member of four governments, and his career in the service of the public has been long and brilliant. I believe that the present chapter of his life as the Leader of the Government in the Senate will always be remembered as a great contribution to our constitutional development.

[*Translation*]

I share the opinion of our leader, particularly as regards his laudatory remarks of last Tuesday about our Prime Minister.

I have known the Right Honourable Pierre Elliott Trudeau for thirty-odd years. I have been in a position to appreciate his exceptional mind, his extensive and exhaustive knowledge, the sincerity and courage of his convictions, and especially his passion for social justice which, of course, extends to those who share his origin. In all his recent speeches, the Prime Minister quite rightly referred to extremely serious events which have taken place lately—we cannot delude ourselves about people who resort to violence, force and intimidation which, one way or another, have been particularly evident in the streets of Montreal.

I would like to say a few words first about this passage in the Throne Speech where it is said that a "disturbing element in many countries of the world has been the rising tide of unrest, particularly among young people." As noted in the Throne Speech, and I quote:

> It has expressed itself in many ways, in public debate, in peaceful protest and sometimes in violence.

[*English*]

It is very clear that we have to condemn totally and without any reservation all the excesses that have been committed—the looting, the wanton destruction of property, the arson, and the brutal riots—during the course of or after so-called protest marches or parades. The last two marches conducted on last Tuesday and yesterday were quiet and

orderly, but we have to ask ourselves how long that will endure. Those events, however, must not prevent us from acknowledging the deep and justified aspirations by Canadians who believe that they are entitled to be, to a greater degree than they are at present, the masters of their own destiny. Those aspirations, as long as they do not come into conflict with the general welfare, have to be acknowledged as being natural in a democratic system. They really correspond to our ideal of a democracy. To quote again from the Speech from the Throne, they correspond to the words "democratic ideal":

> They must be satisfied if our society is to attain its goals of peace and justice.

I am glad that the Speech from the Throne mentioned those aspirations, which include among others the aspirations of the ethnic group to which I belong. I think it is necessary to obtain in the near future constitutional reform, but first of all we have to agree about something because everything cannot be done at the same time. I am absolutely in favour of maintaining our federal system, but I believe that we have to renew and reconstruct, so to speak, our Constitution. I have especially at heart the attainment of constitutional safeguards everywhere in Canada which would secure the survival and the growth of the French-speaking collectivity of which I have the honour to be a member.

I admit quite willingly that our federal system is not perfect. It cannot possibly be perfect, but since 1867 Canada as a whole has developed miraculously. In my own Province of Quebec I believe that progress has been beyond anything which could possibly have been hoped for. There is still much to do, I admit, but we must first of all recognize the situation as it is now. We must know where we start from. We have some grievances which I believe are justified, and if I did not mention them I would lack loyalty and honesty. Obviously in a democracy it is by peaceful means, by constitutional means that grievances can be remedied and that a better situation can be attained for my own community.

I believe very sincerely that we in particular, Canadians of French origin, would have much to lose if our federal union should disintegrate. For many years some subversive forces have been at work and we have to realize that our nation is actually in danger. They are small groups—it has been the same thing in every country—but they are well organized. They are what we call activists, and their idea is purely and simply nihilism or anarchy. They are against any form of authority, whether it be federal, provincial, municipal, temporal or religious. They want to destroy every society. They are the enemy of society itself, and of course we must not consider as being members of those extremist groups the political movements which, though I disagree with them very strongly, are carried on legally and constitutionally. In other words, they hope to attain through ballots that which other people are trying to secure by bullets or bombs. It is very clear that it is not with bombs that you will realize any changes which are of the nature of improving the fate of the Quebecers. I am a Quebecer; I am deeply and sincerely a Quebecer, but I was born a Canadian and I intend to die a Canadian.

Hon. Senators: Hear, hear.

Hon. Mr. Gouin: Before we obtain what I would call a rehabilitated Constitution we have to do the best we can possibly do with the present system. The first rule is that we must respect the rights of everyone and in particular of the minority. This is true all over the country, and it is particularly true in Quebec at the present time. Injustice, honourable senators, always breeds injustice, but never justifies it.

We have to obtain the co-operation of the various political parties here in Ottawa and in Quebec. We also have to obtain a certain co-operation between Ottawa and the provincial capitals throughout the country. There must be teamwork between the federal power and the provincial powers. I must state here very clearly that I am against the thesis which wants to give to the federal institutions a paramount authority, *une primauté incontestable.* I am of the opinion, and I always have been, that the federal power and the provincial power is each sovereign in its own jurisdiction. Instead of having 10 local powers which are subordinate to a central power, we have in reality two categories of power, a federal power and 10 provincial powers which have to be co-ordinated. We must find a way of working together to secure the preservation of our country as we have known it and as we want to leave it when our last days come. We must not spoil the heritage which we have received from the past. Unless we have that kind of constant co-operation between the central power and the provincial powers we are heading for disaster. I do not want to be a pessimist. There is still time to do something, but the

hour has come when all men of goodwill must unite; otherwise it may be too late, even in the near future. This teamwork between Ottawa and the provinces is essential to the survival of the integrity of our country in its fundamental diversity.

I want very sincerely to try to build a more just society. I would say first of all that the fact is there, that in our hearts we are all anxious to improve the situation of all those Canadians who in the midst of our affluent society are now living in a sordid kind of poverty. We must always remember that justice is the very basis of every state, of every human society. Our duty is to try to secure in the provincial field of action, as well as in the federal field, the application of the sacred rule of justice—justice for all ethnic groups, all races, all classes, all groups and all individuals of every collectivity.

Hon. Malcolm Hollett: Honourable senators, it is an honour to speak to this illustrious body, but I cannot understand the mentality of our Whip in asking me to follow such wonderful speakers as we have just heard. The speeches today have been out of this world.

Let me begin by congratulating the honourable the Speaker on his past performance, particularly last year when he performed his duties in the most statesmanlike manner I have ever witnessed in this house. I am delighted to see him back here in good health and strength.

I offer my sincere sympathies to the honourable Leader of the Government in the Senate (Hon. Mr. Martin) and the honourable Leader of the Opposition in the Senate (Hon. Mr. Flynn) for the sadness that has recently come into their lives. I suppose all of us have experienced similar sadness. However, I am glad to see them back today, and I am sure their families are proud of them.

It is with great pleasure that I congratulate the mover (Hon. Mr. Desruisseaux) and seconder (Hon. Mr. Everett) of the motion for an address in reply to the Speech from the Throne on the excellent speeches they made. They are a credit to themselves and to the Senate, and I implore everyone to read their speeches carefully.

I extend congratulations also to all speakers who have preceded me, those who spoke today, to the senator with the biblical name, Senator Lazarus Phillips, and to Senator O'Leary. Senators Phillips (Rigaud) and O'Leary spoke apparently from different mountains, and I think that if we could put both speeches into a computer we would come out with something really substantial. Their speeches were wonderful, and I am glad that I was present to hear them.

Much has been said about the Speech from the Throne, and we have all spoken on similar occasions over the years. I think the Throne Speech which opened this session was a very good one, well put together and having a good style. Although I am on the opposite side of the fence to the Prime Minister, I am beginning to think that perhaps we will make a good Prime Minister out of him yet. He has shown great wisdom about many things. He has strength of character and is not afraid to speak his mind, which is essential to a man who is Prime Minister of a growing nation such as ours. I hope he continues to speak his mind, irrespective of the feelings of all of us. I think he really understands what he is talking about, and although I am opposed to his party we should give him a little help once in a while if we possibly can.

Senator O'Leary termed the Speech from the Throne "mishmash". I suppose it is in a sense, but as I look through it I see a lot of good things, if only they could come to fruition. I have read many Throne Speeches, but I have never yet seen one that came to very much in the end.

Hon. Mr. Walker: Since our party was in office.

Hon. Mr. Hollett: That is five or six years ago.

We are told it is proposed to lower the voting age. Many people do not agree with that. I do. I have seen men of 18 dying by my side fighting for their country, for their homes, for their loved ones. If they can do that, if they have to do that, why not let them have the vote. I am delighted that this is to be done, and I hope it goes through without any difficulty.

There is also to be a revision of the Constitution. I am getting a little sick of proposed revisions of the Constitution. We have a jolly good Constitution, and if we could live up to it and by it we would have a good country.

The Official Languages Act is causing trouble now, and I will say no more about that. I am worried, as we all are, about the Official Languages Act, not only the federal act but related statutes introduced in other parts of the country.

Regional disparity is something we have heard of before. I do not know what has been done. Not very much has been done for my

own province to remedy regional disparity. Newfoundland came into Confederation very late, in 1949. Some of you have been here for a long, long time. I look across the chamber and see honourable senators who have been here many, many years. Of course we must have some disparities in our country, but I would like something to be done to correct some of them.

Unquestionably, there are some very good points in the Speech from the Throne. The establishment of satisfactory relations between labour and management is undoubtedly of critical importance, but I would like to know how to bring it about.

Reference is made in the Throne Speech to tax reforms. We all love tax reforms. I do not, of course, mean increased taxes. We would love taxes reformed so that we would not have to give away everything we earn in order to live. Perhaps the Government will do something about that some day.

Hon. Mr. Aseltine: You are optimistic.

Hon. Mr. Hollett: Optimism is one of the greatest assets any of us can have. If we do not have optimism we cannot survive in this world. We have to be optimistic. I recommend my honourable friend to ponder on that thought.

I see in the Throne Speech three lines out of 300 devoted to fishing:

> The competitive position of Canadian fisheries must also be strengthened, not only through new licensing and marketing arrangements, but also by extending Canada's exclusive fishing zones.

All honourable senators know that I come from Newfoundland, where we were brought up on fish. If we did not have fish we went hungry; if we did not get fish we had to do without things. That still applies today, although not to the same extent. We do need many improvements for our fisheries. They do not say they are going to do anything about it, but at any rate it is mentioned in the Throne Speech.

I now come to one of the important sections, which must make us sit up and take notice. It says:

> Our resources are immense, but they are not inexhaustible. Although we must encourage their development, we must also conserve them and regulate their use. Water is among the most precious of these resources. The evidence of past failure to rehabilitate our water resources is there for all to see—befouled water, despoiled beaches, rotting marine vegetation, and diminished fishing.

It goes on to state that something is likely to be done about this. I want particularly to refer to this matter, because on October 15 I asked the honourable Leader of the Government what part, if any, the federal Government played in bringing the ERCO plant into Placentia Bay, Newfoundland. I was born in Placentia Bay and that is why I am interested. The fact is that many people living there are practically starving, because pollutants from the ERCO plant have poured into the water of the bay and have killed the codfish, lobster, and herring. I have asked what part the federal Government played in this, but I have had no answer and I do not expect one.

Hon. Mr. Martin: You will get one.

Hon. Mr. Hollett: I would like to have it today. I wonder if the honourable leader could give it to me now.

Hon. Mr. Martin: No, because I do not have the answer now.

Hon. Mr. Hollett: I do not know whether the federal Government played any part in it at all, but I imagine it did. I certainly know that the provincial government had a great deal to do with it. When I refer to the provincial government—well, you know what I mean.

What I want to say is that before any plant or industry such as that is established in a particular area, surely steps should be taken to ascertain whether it can be operated without polluting the water, the air and everything else. In this particular case, 300 men had to give up fishing for about six to eight weeks. I believe the ERCO plant was established by people from Great Britain. Surely they must have known what would result from this filthy debris and water pouring into the ocean. If they did not know, they should have. Now, instead of letting it run into the sea, they are letting it run onto the land, and I fear that this too will cause trouble. I would like to get the full particulars about this, not only for myself and the people of Placentia Bay but for everyone in Canada.

Everybody likes to see new industry established because it gives employment, but in this case, while it gave employment to about 200 men, it put another 300 men out of work. That is not the kind of industry we want. Furthermore, it has resulted in the death of millions of fish. I have seen photographs

showing the bottom of the harbour, literally covered with dead herring and other fish. I do hope that the Government will do something with regard to this particular situation.

Honourable senators, I quote again from the Throne Speech:

> The Government has made known its views on this serious problem, and has begun urgent discussions with the provinces. Upon their completion, the Government will introduce legislation which will enable it, in co-operation with the provinces, to improve and preserve our water resources. Thus may we assure ourselves of their continuing benefit for our own domestic use, industrial expansion, and recreation.

I refer to this again, because I want the Government to take some action with regard to it. Those who live in the Atlantic Provinces or British Columbia are in danger as long as these things are allowed to happen on our coastlines.

Turning to another subject, I do not know whether other honourable senators have received postcards like this, saying "Stop the slaughter of harp seals." I have received several of them. In the first place I do not think the Post Office should be allowed to distribute these things, which in effect are accusing me of slaughtering harp seals. Well, I have never killed a seal in my life. I have chopped the heads off chickens and have helped to kill lambs and calves, but I have never killed a seal, particularly a harp seal. As you know, the Minister of Fisheries has introduced regulations whereby it is illegal to kill seals until they are about 80 pounds in weight. By that time harp seals are able to dive into the water and get away. Consequently, very few of them will be killed, and thousands of people in Newfoundland, Prince Edward Island, and other places will be deprived a livelihood they have made for their families from hunting harp seals. This modest source of income is now being taken away by the Minister of Fisheries on the advice of the whole Government, simply on the plea of a certain individual who is head of the S.P.C.A. He may be right in saying that we should not kill the seals and that we should allow them to multiply. But, if that ever happens, the harp seal will eat every fish on the Grand Banks, and the codfish industry will be finished. Nature takes care of these things. I admit that probably some of these seals were killed when they were too young. But under the new regulations they will have to be killed by a rifle or shotgun. I fear that this will result in hunting accidents, and I am worried about that. I do hope the Government will take the proper steps and means to rectify these problems.

There are various other items in the Speech from the Throne which are commendable, if only they can be carried out. I shall not refer to all of them, but I want to say a few words about one I am interested in. I said that in the Throne Speech there were only three lines out of 300 that referred to fisheries. I would like honourable senators from the Maritimes and from any fishing area to remember what has been done for the farming industry in Canada by the present and previous governments. I have before me a copy of the Farm Improvement Loans Act, and I notice that since 1945 over $2 billion has been loaned to farmers for the purchase of land, stock and machinery. The Government guaranteed that amount so that the farming industry would be a success, and it was a wonderful success. But now I understand that every farmer in the west has about three times as much wheat as he will be able to sell for the next year, if the market continues to operate as it has most of the time. Now, has the Government been wise in guaranteeing so many farm loans; did they overdo it? I am quite sure that Maritimers know how many loans they were guaranteed—very, very few. I do not have the figures with me, but perhaps we should look into this. If farmers are dependent on government-guaranteed loans of over $2 billion in order to make a success of their industry, then surely the same thing could be done, although to a lesser extent, for our fishermen.

At one time we had practically all fishermen; now there are not very many. It is only those with the big fishing boats who really make the money. We are in difficulties down in the Maritimes, but it is not because we got too many loans.

The Prime Minister said in his speech on the address:

> Once again we realize that an industrial growth, uncontrolled, is a source of danger.

That fits right into what I have been talking about. Then he goes on to say:

> Here we have the Maritime fisherman, whose income has been scanty for so long that he could never get but a minimum of essential goods. There, we have the Prairie farmer whose competence and

> courage made him exceptionally successful—

The Prime Minister forgot to mention anything about the loans—

> —and who could buy considerable amount of land and machines; but he now is threatened with a total loss, because a sudden decrease of his income prevents him from meeting his financial commitments. Elsewhere again, the townsman who lives in a slum, unable to break out of the vicious circle in which he is kept by unemployment, illness and lack of education.
>
> We cannot, nay, we must never give these people the impression that we regard programs, studies or laws as ends in themselves.

I think the Prime Minister was speaking from the heart. I am quite sure he is doing the best he can to cure some of the ills we are up against now.

This Canada of ours is a great country, half a continent. It will become a marvellous country. Some of us will not be here when it comes to the top. We can criticize the Government as much as we like, but it is up to us to aid the Government as much as possible to bring about these plans which will eventually make us a very happy and successful nation.

On motion of Hon. Mr. McDonald, for Hon. Mr. Duggan, debate adjourned.

DOMINION COAL BOARD DISSOLUTION BILL

SECOND READING

Hon. Paul Martin moved the second reading of Bill S-3, to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

He said: Honourable senators, this bill provides for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act. The Government is anxious that an explanation should be given for the repeal of these measures and for the dissolution of the Coal Board itself.

As honourable senators know, the Coal Board was established in 1947 on the recommendation of the 1946 Carroll Commission. It was the successor to the Dominion Fuel Board. The Carroll Commission had recommended that a statutory board be created with a full-time chairman to keep Canada's energy requirements under continuous review and to advise upon and administer transportation subventions.

I am sure that the honourable Senator Macdonald and others in the Atlantic Provinces who are interested in coal production and its economy, will realize that there have been many changes in the coal industry and in the energy industry as a whole since the establishment of the Coal Board itself.

Special arrangements have been made between the federal Government and the Government of Nova Scotia to deal with the coal industry of Cape Breton Island and the mainland of Nova Scotia. Similarly, there exists an agreement between the federal Government and the Province of Nova Scotia, as well as with the Province of New Brunswick, for the rationalization of the coal industry in those provinces.

In both cases those agreements have replaced the previous system of coal subvention payments by the Dominion Coal Board. That board still administers subvention payments to coal producers in Saskatchewan, Alberta and British Columbia but these payments are also being phased out and for the most part will cease to exist on March 31, 1970. All subventions will terminate during the fiscal year 1970-71.

The energy industry of Canada has also undergone substantial changes in the last 20 years. When the Dominion Coal Board Act was passed, coal supplied almost 60 per cent of our national energy requirements and was therefore deserving of more than ordinary attention. The remarkable advancement of our oil and gas industry has been primarily responsible for the substantial reduction of coal consumption in this country.

In 1967 coal supplied only 10.5 per cent of our national energy needs and almost two-thirds of that coal was of United States origin. This does not mean that the coal industry is no longer important in the Canadian economy. It does not mean that the Government does not recognize the importance of this industry to the economy. On the contrary, the coal industry of Western Canada is rapidly becoming an industry of both national and international importance. The large export contracts which have been entered into with Japanese purchasers for metallurgical coal will mean a new lease on life for the old coal mining areas of Alberta and British Columbia. It also means new business for the railways of Canada and dramatic expansion of our bulk loading facilities at

west coast docks. So, the dissolution of the Dominion Coal Board, provided for in this measure, will not mean that coal is no longer considered an important energy resource.

It is the intention of the Government to transfer the staff of the Dominion Coal Board to the Department of Energy, Mines and Resources and to integrate the staff into the energy sector of that department. In this way the coal resources of Canada can be considered quite properly in the context of the total energy supply and demand picture for Canada. The department has the responsibility for co-ordinating, promoting and recommending national policies and programs on all forms of energy. It seems to be the proper department that should now be concerned with this kind of method.

The staff of the Coal Board will assist in this responsibility and, as the burden of administrating subvention assistance terminates, it will be able to devote more time to a wide range of research and investigations, methods and problems of mining and marketing coal, and the competitive position of coal vis-à-vis other forms of energy.

As part of the energy sector they will continue as a co-ordinating body within Government, between governments and with the coal industry.

The department as a whole will strive, the minister assures me, to ensure that the coal resources of the country are utilized to the maximum extent possible within an overall policy aimed at the most effective contribution of each of our energy resources.

We acknowledge with gratitude the services of those various individuals who, from 1947 on, have served on the Dominion Coal Board. The chairman at the present time, Mr. J. Watson MacNaught, will continue to serve and to advise the deputy minister of the department during this period of transfer of responsibility.

In summary, the repeal of the Dominion Coal Board Act acknowledges that a new approach is necessary to deal properly and efficiently with this resource under present-day conditions of our energy economy.

The Control Production Assistance Act, which will come to an end with the passage of this measure here and in the other place, was originally called the Maritime Coal Production Assistance Act. That act was passed in 1949 with the main purpose of making a loan available to the Dominion Coal Company, whose mines were in urgent need of mechanization and modernization. The name of the act was changed in 1959 and the act was extended to assist coal producers anywhere in Canada. The act provides for aggregate loans to coal producers not exceeding $20 million and with a maximum of $12 million to any one producer. The period during which loans can be made under the act terminates on October 31 of this year—that is, tomorrow.

The latest annual report by the Dominion Coal Board on the operation of this act covers the fiscal year ending March 31, 1969. At that time almost $16½ million had been issued in the way of loans, and $5 million of that had been fully repaid with interest.

The special arrangements which have been made for coal producing areas of the maritimes and the development of an economically viable coal mining industry in western Canada abrogates the need for this act. The Department of Energy, Mines and Resources will have the continuing administrative responsibilities concerning repayment of moneys still on loan under this act.

The Canadian Coal Equality Act, which likewise will cease to be operative with the passage of this measure in Parliament, was passed in 1930 to implement a recommendation of the Royal Commission on Maritime Claims to provide a bounty to Nova Scotia steel producers equivalent to the tariff drawback on imported bituminous coal then enjoyed by steel producers in central Canada. The bounty was 49½ cents per ton on all Canadian bituminous coal used to produce coke for the manufacture of iron and steel. Total payments under the act have amounted to $9.8 million until 1961-62; all of this aid went to the steel works at Sydney. I am sure Senator John Macdonald, better than almost anyone else, would be aware of that.

Subsequent to 1961-62, small annual payments have been made to the iron and steel smelting operations of the Consolidated Mining and Smelting Company of Canada at Kimberley, British Columbia.

In 1949 the duty on imported coking coal was removed. In addition, commencing in 1965, the Sydney area coal used in the steel plant became eligible for subvention assistance against American imported coal, the bounty therefore becoming a bonus on domestic coal which is used in the steel plant.

The Cape Breton Development Corporation is now responsible for the coal operations of Cape Breton Island, and the corporation should be free to develop its coal markets in a clearly identified way and not under the

provisions of diverse acts. Accordingly, when the corporation took over operations of the Dominion Coal Company in March of 1968, all payments under the Canadian Coal Equality Act ceased.

It is the view of this Government that the reason for this act no longer exists and that it should be repealed.

I do not believe that this matter need go to the committee. However, I have no objection, if Senator Macdonald or any other senator is of the opinion that it should.

Hon. John M. Macdonald: Honourable senators, I know we are all grateful to the honourable Leader of the Government for the very fine explanation he has given of this bill. As he has pointed out, it repeals three acts which relate to the coal industry—the Canadian Coal Equality Act, the Coal Production Assistance Act, and the Dominion Coal Board Act. These were all useful and important acts which gave valuable assistance to the industry, and they are being repealed now only because they are no longer needed in regard to some regions or because they have been superseded, as it were, in the Nova Scotia region by the Cape Breton Development Corporation Act.

Under the Cape Breton Development Corporation Act, assistance is provided to the coal industry in Nova Scotia while it is being rationalized. I cannot say that I am overly fond of the word "rationalized," because what it actually means is that either the mines have been closed or production has been stabilized at a fairly low figure.

Honourable senators, it is not my intention today to discuss the coal industry in Nova Scotia, but I do want to say a few kind words, as it were, about the Dominion Coal Board which will cease to exist when this bill becomes law. As already indicated, the board was formed in 1947 and came into existence at a time when there was a crisis in the coal industry. That crisis followed the war. During wartime, production was all-important and cost was not considered So, in the post-war period there was difficulty for the industry to adjust to the new conditions. The old markets were gone and production costs and transportation costs had increased; moreover, competition from other fuel was severe.

The Dominion Coal Board was of tremendous assistance in helping the coal industry adjust to new times and new conditions. As has been pointed out, its staff was very expert and had a great knowledge of the coal industry, both production and marketing, and every time there were difficulties the coal board was more than anxious to assist.

I am sure it will not be taken amiss if I mention that normally it was the chairman of the coal board who had to assume the responsibility, the board itself serving more in an advisory capacity. Its chairmen were all very able men, but the one who deserved special mention, in my view, was Mr. O'Brien because he was chairman during the time of greatest crisis for the coal industry. I well remember how the board was anxious to assist the industry in Nova Scotia when its very existence began to be threatened by its loss of markets for various reasons. Indeed, I think for the past number of years, the board devoted practically all of its time to trying to assist the Nova Scotia coal industry, and certainly it is through no fault of the board that a better solution could not be found than the one finally adopted.

Honourable senators, as the Leader of the Government also mentioned, since April 1, 1968, federal subventions on the movement of coal have ceased. I think it is of interest to mention that since this type of assistance to the coal industry was first begun in 1928, the federal Government has paid out in subventions on coal the tremendous sum of $317,288,873. By provinces this sum was paid out to assist the coal industry in this way—the greatest amount, $246,404,992, went to Nova Scotia; $10,450,136 to New Brunswick; $3,264,434 to Saskatchewan, and $57,169,311 to British Columbia. However, I believe it is interesting to note that in the same period in which the sum of $317,288,873 was paid out in federal subventions, the duty collected by the Federal Treasury on imported coal and coke amounted to the still larger sum of $366,056,455. So, to March 31, 1968, the Federal Treasury took in over $48 million more from duty on coal and coke than it paid out in subventions. Now, I do not say that this amount was over and above all money spent by the federal Government to assist the coal industry. It may well be that some other forms of assistance would cut down this sum, and certainly the amount to be paid to the Cape Breton Development Corporation to cover the losses on its coal operation will probably be substantial for the first few years at least. But, honourable senators, I hope no one has the impression that government aid to the coal industry was something unusual or unique. Indeed, I expect a great many other industries in Canada have received substantial assistance from governments in one form or another.

By chance I happened to look over the report on the administration of the Emergency Gold Mining Assistance Act and I saw where the federal Government paid out in assistance to gold mines from 1948 to March 31, 1967, which was the last year for which the figure was available, the sum of $246,360,675.18—

Hon. Mr. Benidickson: The same department.

Hon. Mr. Macdonald: —and there was no return by way of duty as there was in the case of coal. To that figure for last year would have to be added at least another $15 million. So certainly there was over $260 million paid out to assist the gold mining industry.

Honourable senators, as I mentioned earlier, I believe the Dominion Coal Board did a tremendous amount of good work. It deserves our thanks and our gratitude for a job well done.

The Leader of the Government suggested that perhaps this bill should go to a committee. Personally, I do not see any need for that. I was very much impressed by the explanation he gave of the bill. He explained it so well and so clearly that I do not think we could get any further information in committee. Therefore I feel that we should give it second reading now.

Motion agreed to and bill read second time.

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

Hon. Mr. Martin moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

Leave having been given to revert to Motions:

STANDING COMMITTEE ON FOREIGN AFFAIRS

CHANGE IN MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

> That the name of the honourable Senator Nichol be substituted for that of the honourable Senator Savoie on the list of senators serving on the Standing Senate Committee on Foreign Affairs.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Martin: Honourable senators, now that we have reverted to motions, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 4, at 8 o'clock in the evening. I move the adjournment to that hour as I understand there will be committee meetings in the morning and possibly in the afternoon.

Hon. Mr. Flynn: Will we continue then with the debate on the motion for an address in reply to the Speech from the Throne?

Hon. Mr. Martin: We may deal with one other bill. We will continue with the debate on the Throne Speech also on Wednesday and Thursday. I should add that it has also been suggested that the Senate should meet in the evening because the Poverty Committee, as we have been told by Senator Croll, will be in Eastern Canada next week and some members of the house will not be here on that account.

Motion agreed to.

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

THE SENATE

Tuesday, November 4, 1969

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

Prayers.

TRIBUTES

THE LATE HON. OLIVE L. IRVINE

THE LATE HON. CYRILLE VAILLANCOURT

Hon. Paul Martin: Honourable senators, as we begin our week's work in this chamber our hearts are filled with sorrow at the passing of Senator Olive Irvine.

Senator Irvine was present in this chamber last week, although we were aware that she had been taken ill the week before.

It remains for me to say that she was a respected and beloved member of the Senate, to which she was appointed nine years ago. She was one of the most faithful attendants in this chamber and in committee.

Senator Irvine was born in Holland, in the Province of Manitoba. She was the first lady senator to represent the Prairie region. She represented it with great credit to herself, her convictions, and her background. Senator Irvine graduated from the Winnipeg Normal School, and devoted much of her life to teaching. We in this chamber profited greatly from having so distinguished a woman and school teacher among us.

To her husband and her family we extend our deepest sympathy. To the honourable Leader of the Opposition (Hon. Mr. Flynn), Senator Irvine's leader in this chamber, on behalf of all honourable senators on this side I extend our sincere regrets.

His Honour the Speaker and those responsible for managing the business of this house have arranged a memorial service to be held at St. Andrew's Presbyterian Church on Thursday next, November 6, at 2 p.m. This will give many more senators an additional opportunity of paying tribute to our former colleague. This arrangement has been made possible by the co-operation of the Reverend Dr. A. W. Currie. When in Ottawa, Senator Irvine attended St. Andrew's Presbyterian Church.

We recognize the contribution Senator Irvine has made to her province, to Canada, and to the Senate. We will miss her greatly.

[*Translation*]

It was with deep regret that we learned of the death of two of our distinguished colleagues: Senator Olive Irvine and Senator Cyrille Vaillancourt, Commander of the Order of St. Gregory the Great.

Poor health forced Senator Vaillancourt to resign a few months ago, after sitting in the Senate from 1944 to 1969. For a few years he was Deputy Leader of the Government in the Senate, a duty he fulfilled with dignity and competence. Senator Vaillancourt certainly was one of our greatest senators. He was the voice of Quebec in this house.

He had a long and successful career in the world of business, devoting all his professional life to the credit union movement. For nearly half a century he was its spokesman, both in Quebec and in the rest of the country.

During forty years, he worked with the association of maple syrup producers, directing its co-operative activities.

The Province of Quebec mourns the loss of a great pioneer and servant, for Senator Vaillancourt devoted all his energy to the progress of his province and his country.

On behalf of the Senate, I extend sincere condolences to Mrs. Vaillancourt and her family.

[*English*]

Hon. Jacques Flynn: Honourable senators, death never takes a long holiday, especially in this chamber. In this year, 1969, the Conservative caucus in the Senate has suffered an indescribable amount of grief and sorrow. We have suffered the loss of former Senator M. Wallace McCutcheon, and Senators Clement A. O'Leary and Gunnar S. Thorvaldson. Now to that list we must add the name of Senator Olive L. Irvine, a most esteemed colleague.

It is said of educators that in order to be successful at their chosen profession they must be as patient as they are erudite, as dedicated as they are personable, and as selfless as they are wise. Senator Irvine by profession was an educator and, judging from the qualities she manifested here in the Senate, I am sure she was as valuable as a teacher as she was useful as a senator.

Senator Irvine brought to the Senate, when she came in 1960, a background of significant administrative and political experience. She was a former President of the Women's Conservative Association of Manitoba, former President of the South Winnipeg Association, and Manitoba's representative on the National

Capital Commission. She faithfully attended our sittings in this chamber, and I can personally attest to the fact that she did fine work for the Opposition. She was thorough and trustworthy, and a task could always be entrusted to her with the assurance that it would be dealt with efficiently and expeditiously. Her contribution to the undertakings of the Senate Committee on Divorce was significant and very much appreciated.

She showed great courage and responsibility by being present in the Senate when we resumed our sittings on October 14 last, despite a very serious heart attack which she suffered last summer, and despite the advice of many, including myself, that she should take it easy and wait until she was fully recovered. Senator Irvine was as quiet and self-effacing as she was charming and able; an incomparably gracious and distinguished lady, she was the ideal woman senator. The Senate will long remember her. To her husband Jim, a friend of us all, and to her son, we offer our most sincere condolences.

[*Translation*]

Honourable senators, those of us who, like myself, attended the funeral of our former colleague, the honourable Senator Cyrille Vaillancourt, in Lévis, yesterday afternoon, were able to judge of the important place he occupied in Quebec society.

With his death, a remarkable man has been taken from us. He will be remembered mainly for his work with the Desjardins Movement, which he carried on for half a century. Need I say that this Movement is today one of the most powerful financial groups of the Province of Quebec.

Senator Vaillancourt was a very hard-working man. One has only to read his biography to realize how very intensive was his activity at all times.

He was a kind and charitable man. For many years he was president of the St. Vincent de Paul Society and he also participated in the work of many other charitable organizations.

He was a positive man. Cyrille Vaillancourt was not the rebel type. Instead of complaining and of adopting negative attitudes, he resorted to positive action. He was firmly convinced that his countrymen, provided they were hard-working and determined enough, could have as much success as anyone in the world of business, trade and finance.

He was a member of the Senate for 25 years. His contributions to our debates were typically those of the man that I have just described, remarkable by their wisdom, their kindness and their positive character.

Having known him since 1943, while he was special adviser to the president of the Wartime Prices and Trade Board, the lamented Donald Gordon, having often seen him thereafter and sat with him in this house for almost seven years, his death is for me a very personal loss. I keep an affectionate and admiring recollection of him.

On behalf of the opposition, I extend to Mrs. Vaillancourt, to all her children and the other members of the family our heartfelt sympathy and I assure them that we will gratefully remember their dear departed.

Hon. Maurice Bourget: Honourable senators, I wish to join with my colleagues to express my sorrow following the death of Senator Vaillancourt.

We all knew that his health had been failing for two or three years, but we hoped that he still had a few years left.

I know that he will be missed by all the members of this house because we all held him in high esteem, having learned to appreciate his many qualities of heart and mind as well as his sincere love for his country.

The loss we experience, honourable senators, is doubly felt by those who were close to him, namely, his fellow-citizens of the Province of Quebec and more particularly, the people of the Lévis area.

Pupil and follower of Commander Desjardins, founder of the Caisses Populaires, he worked without respite during most of his life, to establish what has now become an important financial institution which operates in all parts of the province and even outside.

The people of Lévis will never forget that they owe to Senator Vaillancourt's efforts the fact that our city has become the center of gravity of the Caisses Populaires which, in Lévis proper, employ more than a thousand people.

As his master Desjardins, he advocated mutual aid, co-operation and charity not only through his words but through his actions. There are many families in our region and outside and many individuals to whom he gave his precious advice and discreetly some of his own money.

For these reasons and many others too long to list here, hundreds of people of Lévis, of the province and many senators gathered yesterday afternoon, in our parish church, to pay their last respects to this great Canadian.

His death is a great loss for Canada as a whole, for the province and particularly for his own town of Lévis.

Once again, in this chamber, I express my most sincere sympathy to Mrs. Vaillancourt and her children.

At the same time, I must say I was most surprised to hear last weekend that our colleague, Senator Olive Irvine had died. A few days ago, she was here in this chamber. I join with the two leaders to extend my heartfelt condolences to her husband and to the members of her family.

[*English*]

Hon. Josie D. Quart: Honourable senators, may I join with my honourable colleagues in their eloquent expressions of sorrow upon the passing of the Honourable Olive Irvine, a distinguished colleague and deskmate, and a dearly beloved member of the Senate. I was indeed shocked when I returned to Ottawa last evening, to learn of her passing to her eternal reward.

A former school teacher, she was always interested in educational matters. She was an intellectual woman and, although unostentatious—in fact, very humble—she seemed to possess a deep spirituality which gave her unalterable serenity during her last few years in the Senate, in the face of suffering and trials.

Whereas, I have always admired the manifest talents and achievements of Senator Irvine, above all I marvelled at her valiant and indomitable spirit to surmount all obstacles, such as her infirmity and failing health.

During her colourful career she made a valuable contribution to this chamber, with unselfish devotion to the work of the committees to which she was appointed. Her record of attendance in this house may be second to none, and she was an inspiration to all senators.

I shall not repeat those details of her life which have been given so well by the Leader of the Government and the Leader of the Opposition.

In 1920 she was married to James C. Irvine and resided in Winnipeg from that time. Senator and Mr. Irvine have one son, Robert John (Jack) and two granddaughters.

[Hon. Mr. Bourget.]

Long an active member of the Progressive Conservative Party, she held at one time or another nearly all offices at a provincial and federal level. For four years she was President of the Women's Conservative Association of Manitoba; for three years President of the Women's Progressive Conservative Association of South Winnipeg; and until her death she was on the National Executive for Manitoba.

When the summit of her life was approaching and her active capacity became somewhat limited, she carried on with a smile and with courage which should be an example for all senators to follow.

Personally, I shall always treasure as precious souvenirs her kind letters of congratulation to me when I was appointed a member of the Canadian Delegation to the United Nations General Assembly in 1957, and again when I was a delegate to the United Nations Status of Women Commission. She was greatly interested in the proceedings of that commission during the three years that Canada was a member. Above all, when I was privileged to become a member of this chamber in November 1960, she and her husband, Jim, graciously welcomed me and offered their help and kind advice.

To her family, who share in the reflected glory of her life, I wish to extend my heartfelt sympathy, as well as to her friends who will be forever deprived of her acts of kindness. It makes one sad to think that her hand will never again be outstretched in greeting—held out to comfort or to help another human being in sorrow or in need.

To her devoted husband Jim I shall let this little poem of James J. Metcalfe speak for me. I quote:

The grief of sudden tragedy
...is poignant as can be...
And all that I can offer you
Is friendly sympathy..But
my condolence really comes
Directly from the heart...
Because I know how sad it is
When loved ones have to part.
I know you will be lonely as
The days and nights go by
And there will be a thousand tears
..That you will want to cry
..And yet we must remember
that..There is a will divine
..And we may never question
it..Or fathom God's design
..And so I grieve with you
today..And say a fervent

prayer..That God will bless
and always keep..Your loved
one in His care.

[*Translation*]

Honourable senators, it is with deep sadness that I take the floor, following those who already paid their tributes to the memory of our colleague, Senator Cyrille Vaillancourt, to express my sympathy to Madame Vaillancourt and to the members of the family.

They spoke with such feeling and eloquence that I may be brief; nevertheless, my words will be most sincere.

[*English*]

Honourable senators, what a note of sadness has been injected into our meeting tonight by the passing of two of our distinguished senators.

I knew Senator Vaillancourt for many years and worked with him on many war work committees during World War II. Everyone who followed his active career—in his personal life and in the course of carrying out the heavy demands of his successful business life, as well as his duties in the Senate—must have realized that even in the midst of such an active life he had been blessed with the gift of the secret of inner composure and a proper sense of values. He was a very religious man and was never ashamed to admit his dependence on God as the source of all grace and strength.

I remember so well the day he told us in the Senate that he would not be with us for long. That day he bid us "au revoir". After the sitting I told him how grieved I was to learn of the illness which he felt would be fatal. He replied that his motto through life had always been, "May the will of God be done", and that he had had a good and full life. He did not say this merely as an act of resignation. It was his faith and true simplicity of soul that led him to seek in all his endeavours to carry out the implications of his own motto, and bow to the will of Divine Providence.

He did return to Parliament Hill months after his farewell speech, and on that occasion I told him that his daily dose of maple syrup must be working miracles, for he looked so well. He smiled but it was a sad smile, and his bilingual comment was, "I'll say this in French to you: 'au revoir'—your English goodbye is so cold." Then he added, with a gesture that manifested an affection for others, "God bless you and your family, and this time 'au revoir' for I may not be back to see you again."

With profound sorrow I extend to Madame Vaillancourt and the members of the late senator's family my most sincere sympathy for the loss of a distinguished and generous husband and a most devoted father.

Hon. John J. Connolly: Honourable senators, I will speak for only a few moments. Like every other senator, I was most upset and shocked when, at a memorial service for the late Mr. Justice W. B. van Lare, the High Commissioner to Canada from Ghana, on Sunday morning, the minister of St. Andrew's Church announced that Senator Irvine had died.

Olive Irvine certainly must have been one of the most gentle women of her time. She was kind, gracious, and friendly, and when I had the responsibilities of the leadership of this house she was most helpful. Once upon a time Newman wrote a long definition of a gentleman. I know of no comparable definition of a lady, but if there is one, Olive Irvine was its personification. To say that we will miss her here is very much of an understatement. The people who are most sorely bereaved are her devoted husband and her very loving son, both of whom I have had the privilege of meeting and knowing.

Honourable senators, I shall not repeat what I said in this chamber on the occasion of Senator Vaillancourt's retirement. There were few people whom I have met in my time here who have impressed me more. I felt very honoured that he should have been my deputy for a number of years.

Senator Vaillancourt was a great Quebecer and a great Canadian, but above all he was a great man. This was clearly demonstrated yesterday, as Senator Bourget and the honourable Leader of the Opposition have so eloquently described, at his very impressive funeral in Levis. I thought the note of Senator Vaillancourt's career was touched very precisely by the Cardinal Archbishop of Quebec, Cardinal Roy, who presided at his funeral. He dilated upon the great cardinal virtues of prudence, justice, fortitude and temperance. He said that the virtue that the late Senator Vaillancourt preached and practised above all others was the virtue of justice, especially of social justice. His life in the Caisse, in the co-operative movement, in the St. Vincent de Paul Society in Levis and in Quebec epitomized exactly what His Eminence meant and what we all know of the late Senator Vaillancourt and of his life. The co-operative movement and all that it involves, including his work in the Senate, is his great monument.

Hon. J. Campbell Haig: Honourable senators, this is the second time in the past two months that I have had occasion to pay tribute to one of my colleagues from Manitoba.

It was with a saddened heart that my wife and I heard last Sunday of the passing of Senator Olive Irvine on Saturday, November 1. My wife and I had known Olive and her husband for many years in Manitoba. She was a kindly and charming lady who was interested in public affairs at both the provincial and federal levels. True, she was a Conservative, but many of you do not know of her activities in the two World Wars. In the First World War she was deeply interested in the work of the Red Cross in Cypress River; and in the Second World War she was interested in Red Cross work in Winnipeg, dealing with the billeting of soldiers coming to that city.

As has already been mentioned, she was summoned to the Senate on January 14, 1960, being the first woman senator from the Prairies. As you know, she was active on many of the Senate committees and in the work of this chamber, although during the past year and a half to two years her health has failed.

Her funeral will be held in Winnipeg on Friday, November 7 at 2.15 p.m.

Honourable senators, Senator Irvine's passing will be mourned by her husband Jim, whom we all know, and her son John. I am sure I speak on behalf of us all when I say that we extend our deepest sympathy to them in their sad loss.

Hon. Arthur W. Roebuck: Honourable senators, as Chairman of the Senate Standing Committee on Divorce I wish to express my sorrow and that of all the committee members on the passing of a valued, much loved and respected colleague in the person of Senator Olive Irvine. In her quiet way she was a lovable person, with a strong sense of comradeship for those engaged in the same judicial service in which she took her part. She had a strong sense of responsibility and duty.

As has been said, Senator Irvine was appointed to the Senate in January 1960, and very shortly thereafter became, at my request, a member of the Divorce Committee, not a desirable position but one that was necessary and in which she gave good service. In almost a decade since her appointment she was a faithful attendant at the meetings of that committee and bore her part in the trial of cases that came before us in considerable numbers, as you know, prior to the enactment of the Dissolution and Annulment of Marriages Act of 1963. Since 1963 she had read, as have I, many reports of the commissioners who heard the evidence, and she never failed, never objected and never cringed when she was asked to perform that service.

The committee met only this morning, possibly for the last time, and we were all saddened by the sight of the vacant chair that had been filled with such regularity and courage by Senator Irvine in the past years.

She will be greatly missed by the members of my committee, not entirely for her contribution to the work of the committee, great as that was, but also for her constancy, her sense of friendliness and her kind and lovable character.

On behalf of the committee and myself, I wish to express our deepest sympathy to her husband, who had been her constant companion in recent years and who has meant very much to her, as we all know. I should also like to express my sympathy to her son, to her grandchildren, to all her family and to her friends and associates, all of whom have lost, as we have, a valued friend.

Hon. John J. Kinley: Honourable senators, it was comforting to hear the splendid tributes paid by our leaders and other honourable senators in honour and memory of the lady senator who has passed away.

I wish to pay my personal tribute because we were great friends. Her husband usually drove us home from church on Sunday mornings, and only two Sundays ago I inquired of him as to her health. He said that she was doing splendidly and would soon be among us again. That was not to be: now she has gone.

We knew Senator Irvine as a friendly and lovely lady who graced this chamber with her presence. As has been said, she was appointed to the Divorce Committee, on which she served for many years. She was faithful in her attendance and sound in her judgment.

She and her husband were a fine couple, and I would like to express my wife's and my sentiments of bereavement over the death of so good a friend and so good a member of this chamber.

With regard to Senator Vaillancourt, when I was appointed to the Senate he sat with Senator Connolly across the way. I was in the rump. He was big in stature and in mind; he was kindness personified and he was tolerant. I soon became entranced by his personality. I regarded him as a fine man and one who was a symbol of French-Canadian citizenship.

Senator Vaillancourt had good judgment. He always protected what he thought were the interests of the people he represented, although he knew that others had opinions as well, and to these he was always willing to listen. I do not think I ever saw a better man in Opposition or one who attracted me more than did Senator Vaillancourt.

He was very kind to my children. He used to send them presents of maple syrup at Christmas time, always with a beautiful letter. We corresponded frequently, and we were friends because we believed in one another.

The honourable the Leader of the Opposition has told us that the grim reaper has made frequent visists to this assembly—that is sadly true. The memory of Senator Vaillancourt will remain green here, as it will in his own part of the country, for many years. I wish to express to his family my deepest sympathy. It would seem that a man has died younger than he should, because perhaps he overreached himself in his efforts for the benefit of his community and others, but we know that all who live must die, passing from nature to eternity.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Solicitor General of Canada for the fiscal year ended March 31, 1969, pursuant to section 5 of the Government Organization Act, 1966, chapter 25, Statutes of Canada, 1966-67.

Report of the Director of Investigation and Research, Combines Investigation Act, for the fiscal year ended March 31, 1969, pursuant to section 44 of the said Act, chapter 314, R.S.C., 1952.

CYPRUS

UNITED NATIONS PEACE-KEEPING FORCE—QUESTION

Hon. M. Grattan O'Leary: Honourable senators, I should like to direct a question to the honourable Leader of the Government, and I apologize to him for not giving notice. This is my question.

In view of the fact that we are withdrawing whatever diplomatic representation we have in Cyprus in the interests of economy, what then in the interests of economy will be the position of our troops in Cyprus? How long are they to remain there? When are they to be withdrawn? If and when they are withdrawn, will this be at the instance of U Thant, the Secretary General of the United Nations, or at the instance of the Canadian Government which is responsible to the taxpayers of Canada?

Hon. Paul Martin: Honourable senators, the announcement made yesterday by the Secretary of State for External Affairs that we were going to close our mission in Cyprus is in no way related to the tenure of the United Nations force in Cyprus, nor is it related to our participation in that force. The force came into being before we had a mission in Cyprus. Our embassy in Israel, which is near by, looked after whatever diplomatic arrangements were necessary with the Government of Cyprus.

The force has been given a tenure until some time in the month of December. It was renewed for a period of six months when it was last dealt with by the Security Council. The Security Council will decide in December whether the force is to be renewed. If it is to be renewed, the Canadian Government will give consideration, as it has during the past four years, as to whether it will continue the force.

I would not want this remark to be construed as implying that we have any intention of not fulfilling our obligations as a member of the United Nations.

The honourable senator also asked whether, when the force is withdrawn will it be at the instance of the Secretary General of the United Nations or of the Canadian Government. It will be recalled that when the United Nations Emergency Force in the Gaza Strip was disbanded as a result of President Nasser's request, and the attitude taken by India and Yugoslavia, two components of the force, the Secretary General announced the disbandment of that force. In the name of the Government at that time, I took the view that it was not open to the Secretary General to bring about an end of the force; that the constitutional way was to have the organ of the United Nations that brought that force into being make the decision.

I asked the Secretary General what he would do with regard to the force in Cyprus, because my Government was greatly concerned about the matter. The reply of the Secretary General, now a matter of record, was that the force in Cyprus would not be disbanded without consultation with the Security Council.

Hon. Mr. Flynn: Honourable senators, I rise on a point of order. I should like to indicate that the honourable Leader of the Government has changed since he was in the other place. When he was there he used to reply to questions, but now he makes a long, long speech.

Hon. Mr. Martin: I try to forget what I did in the other place.

Hon. Mr. Flynn: I have not forgotten.

POLLUTION

CONTAMINATION OF PLACENTIA BAY, NEWFOUNDLAND—QUESTION

Hon. Malcolm Hollett: Honourable senators, if I may get closer to home, I am wondering when I may expect an answer to the question I posed a few days ago.

Hon. Mr. Martin: I apologize. I was thinking of that question this morning while I was in Halifax, close to Newfoundland, but when I got to Ottawa the question completely slipped my mind. However, I did not forget the honourable senator, and I hope I shall have an answer to his question before the weekend.

Hon. Mr. Hollett: I hope the honourable Leader of the Government will not go to Newfoundland before giving me an answer.

Hon. Mr. Martin: I do not blame you.

Hon. Mr. Flynn: Were you in Newfoundland last Friday?

Hon. Mr. Martin: Only in spirit.

DOMINION COAL BOARD DISSOLUTION BILL

THIRD READING

Hon. Paul Martin moved the third reading of Bill S-3, to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, October 30, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Desruisseaux, seconded by Hon. Mr. Everett, for an address in reply thereto.

Hon. James Duggan: Honourable senators, I am pleased to have the opportunity to express my views in this august chamber in the midst of such an abundance of ability and talent. Being aware of my own shortcomings I trust that you will bear with me during this brief period.

I wish to avail myself of this opportunity to offer my sincere congratulations to the Speaker of the Senate on the noble manner in which he discharged his duties during the First Session of the Twenty-eighth Parliament. May he be spared to continue his duties for a long time to come.

I wish also to offer my sincere congratulations to the mover, Senator Desruisseaux, and the seconder, Senator Everett, on the motion for an address in reply to His Excellency the Governor General's Speech at the opening of this session. They both carried out their assignments with credit and distinction and demonstrated once again the brilliance they bring to this chamber.

Honourable senators, in an effort to refrain from repetition, I wish to deal only with that part of the Speech from the Throne dealing with regional disparity.

It is reassuring to hear that our present Government is not only concerned with regional disparity in Canada but is determined to do something about it. I am concerned about one specific region, the Atlantic Provinces, particularly the Province of Newfoundland, where it is becoming increasingly difficult to maintain a level of services that may be judged adequate by any standard.

I believe it is only fair to say that there is no easy solution. We need capital injected on a massive scale to develop our resources in Newfoundland. To that end the Government must encourage the industrialization of our depressed areas by granting tax exemptions, et cetera, over a period of years. Then like that great man, Sir Winston Churchill, said during the early days of World War II, "Give us the tools and we will finish the job." I say, give us the capital for development and we will finish the job of regional disparity. We need financial assistance to develop our resources and to get our economy on its feet, if we are to be elevated to our rightful place as self-respecting citizens of this great nation.

I submit that the Speech from the Throne reveals the Prime Minister's careful planning for the future, and that we in Newfoundland may look to the future with hope and confidence.

Newfoundland was dealt a staggering blow this spring by the removal of our passenger train service, on all too short a notice. I submit that such a decision was taken without due consideration of all the facts. In the Canadian National Railways' own submission before the Canadian Transport Commission, it revealed that 125,000 people travelled on our trains during the previous year. This represents 25 per cent of Newfoundland's population. Can this percentage be matched by any other province? Will the railway's records disclose province by province the profit and loss in train passenger service? Or is Newfoundland's performance kept separately to be treated separately? Travel conditions under adverse weather and winter conditions were never given proper thought. If they were, then the recommendations of the Newfoundland Government would have received favourable consideration. It asked that the trains be kept in operation for another two years in conjunction with the buses, until their suitability under our winter conditions had been demonstrated. When the dreadful day arrives and we have to meet the results of tragic highway accidents on our icy highways, then we will be expected to be merciful and say, "Forgive them, oh God, for they knew not what they did."

During the past few years much time and space have been devoted to the subject of industrial strife and disruption in essential services caused by strikes, and aimed particularly at organized labour. This has been coupled with the hint that strikes should be banned in essential services. Such a suggestion, and a suggestion it can only be, poses a good question, "What constitutes essential services?" Is it just the so-called "public services" such as postal and railway services, or is it the desire and intention to define all services such as mining, oil, durable goods, construction, et cetera, as essential? If this is so, then is the desire and intention to ban the right to strike applicable to the greater number of workers in the greater number of industries in Canada?

Surely, we do not intend to play the role of the ostrich, by burying our heads in the sand to endeavour to escape from the thoughts of the great price which Canadians have paid in the past and are willing to pay in the future to preserve liberty and freedom in other lands. I submit that Canadians will not tolerate having these thoughts scuttled, curtailed or under-valued on the home front.

A strike must be recognized as fundamentally a confrontation of forces on an economic level, and is a manifestation of conflicts and a means of regulating these conflicts. In our industrial society, different viewpoints cannot be avoided. Therefore, they must be accepted. At this point I would like to quote from a speech delivered on July 1, 1965, by our revered and late Governor General, General Vanier:

> Let us remember that no one point of view, nor any one way of life, has any monopoly of virtue. Quite the contrary. The road to ultimate wisdom lies in comparison, mutual compassion and understanding. Each of our people, each one individually has some element of truth, some glimpse of enlightenment to offer to all of us. Therefore, when we meet a man with an opinion that is new to all of us, or a people with a tradition we have not met before, let us look at them with respect and perhaps even with envy, for he and they know something that we do not, and they have achieved a further step towards wisdom.

The banning of strikes and the imposition of compulsory arbitration are neither desirable nor in keeping with our times. However, the Government, which is the supreme authority and guardian of the common good, may regulate the enforcement of the right to strike. In doing so, very serious attention will have to be given to the other side of the ledger, regulation of the margin of profits and the instituting of the mechanisms of collective bargaining—for which there is no substitute—for peaceful and lasting settlements in a more polished fashion, to assure justice to our wage earners with more speed, honesty and sincerity.

Today, wage earners find themselves and their representatives obliged to ride out motorized negotiations with horse and buggy facilities. Therefore, there is a crying need for action.

The lack of communication between labour and management is a breeding ground for suspicion and unrest. I wish to urge the Government to take immediate action to facilitate improved communications in this respect.

There always was, and there still is, a natural conflict of interest between the two parties. Therefore collective bargaining, mean-

ingful collective bargaining, was instituted to resolve the difference of opinion. Let us not monkey too much with it. Falkland once said:

> When it is not necessary to change, it is necessary not to change.

But let every effort be made to instill in it honesty and sincerity.

It is comforting to see Senator Croll and his committee on the march to smoke out poverty. May the good Lord guide them on their way, and I trust that in their recommendations they will remember the words of Jefferson:

> Widespread poverty and concentrated wealth cannot long endure side by side in a democracy.

I wish to deal but briefly with the question of the presence of international unions in Canada and the controversy which seems to surround this subject being generated by certain interests. It should be common knowledge that their presence in Canada is by invitation, dating far back in the past, responding as they did to the numerous calls sent across the border for assistance from the workers of Canada in a desperate effort to be rescued from the terrible state of oppression instituted and practised by unscrupulous employers of that day. In return for the response to such calls, sending assistance and direction, with substantial cost to themselves and without anything in return, many, if not all, international headquarters south of the border now command, and will continue to command, the respect and undying gratitude of our Canadian workers.

The claim that certain interests have endeavoured to advance about United States domination of our Canadian unions has failed, notwithstanding the devious ways and means employed, and I suggest that if those responsible would be polite enough to mind their own business and leave this matter in the hands of those directly concerned it would be greatly appreciated by the rank and file of all international unions in Canada.

No opportunity seems to be passed up to belittle and smear international union leaders and members alike. Some of the tactics, however, do have a little humour. For example, a few years ago when a particular wage movement was announced—and if my memory serves me correctly, it was the railway labour unions wage movement—news media carried the attack that union leaders were sponsoring the wage movement only to justify further increases in their own fat salaries, and therefore did not command the confidence and support of their members. In a subsequent wage movement, the same news media was right back on the job with the story that union leaders had lost control of their members and were being driven to submit further wage demands. Honourable senators, you pay your money and you take your choice.

A news dispatch carried in a Montreal paper a few years ago quoted from a pamphlet released by the Canadian-American committee under the chairmanship of Professor Crispo as follows:

> International unions should try to give their Canadian members more autonomy if they wish to continue to prosper in this country.

The same article, quoting from the pamphlet, goes on:

> Although some international unions allow a good deal of Canadian autonomy—

I submit that twisting is being done with the word "some," either by the news dispatch or in the pamphlet itself. It may be correct that some international unions may be subject to restriction in their Canadian policy making, and if they are not some Canadian union leaders may be using it as a crutch to lean on because of their failure to provide active and/or sound leadership. If there is such a restriction it is up to the rank and file, with good leadership, to have it removed. There are some twenty or more international railway labour unions in Canada on which I would be greatly surprised to find any such restriction.

I wish to quote from the constitution of one of those international railway unions—the Transportation-Communication Employees Union, formerly the Order of Railroad Telegraphers, of which I have the honour to have been a member for 46 years:

> The general committee of a subordinate division shall consist of a General Chairman, and General Secretary-Treasurer, and all District Chairmen, shall have jurisdiction over the affairs of the division. It shall exercise the authority and perform the duties hereafter prescribed in this constitution and by-laws. It may enact such by-laws as it deems necessary in the conduct of its work and in the interest of its members.

Anyone endeavouring to interfere with the present set-up of international unions in

Canada, except the members of such unions, will be branded as meddlers, and will be running the risk of inciting trouble and creating an unhappy and unpleasant situation. Of course, fools walk in where angels fear to tread.

In conclusion, I wish to congratulate the Government on the Throne Speech. It indicates the laying of the foundation on which to build the Just Society. The Prime Minister is a person with a belief, and as Mill once said:

> A person with a belief in a social power is equal to ninety-nine who only have an interest.

I am grateful to all honourable senators for bearing with me during this address.

Hon. Romuald Bourque: Honourable senators, before proceeding with my address, I wish to congratulate the mover and seconder of the Speech from the Throne for the brilliant way in which they accomplished their task. The mover, Senator Paul Desruisseaux, covered the whole Canadian scene, and the seconder, Senator Douglas D. Everett, made a fervent appeal on behalf of the province he represents.

I completely endorse all that Senator Desruisseaux has said on behalf of our Speaker, Senator Jean-Paul Deschatelets, P.C., on behalf of the Leader of the Government in the Senate, Senator Paul Martin, P.C., and his two assistants, Senator A. H. McDonald and Senator Leopold Langlois, and on behalf of the Honourable Jacques Flynn, P.C., Leader of the Opposition in the Senate, and his assistant, Senator Lionel Choquette.

On Saturday, October 25, 1969, I came across an advertisement in one of our local dailies in Montreal, published on behalf of the Canada Department of Labour. As a rule I have very little time at my disposal to read the advertisements in any paper, but I was struck with the title of this one and so I read it. For the record I would like to read this advertisement. It is entitled:

> If you can see five different reasons for not hiring these people, there's only one word for you.

This heading is followed by a photo showing five persons, four men and one woman, and then alone in large type is the word "Bigot". The text is as follows:

> Even if you see only one reason for not hiring one of these people...you're still bigoted.
>
> We believe most Canadians find this totally unacceptable to our way of life.
>
> The Department of Labour is extremely concerned by the cases of discrimination that occur every day. Someone is not hired simply because of religion. Or colour. Or ethnic origin. Or race. What's equally insidious is that women in our work force are sometimes treated as second-class employees. In many cases they're paid less than men for the same work. They're refused promotion because of their sex. And in spite of seniority, often dismissed first when there's a lay-off.
>
> It must stop. And it must stop now. Such unfair employment practices can destroy the soul of a nation. And its economy too.
>
> The responsibility for wiping out bigotry lies with each and every Canadian. In your day-to-day life you can do more to help than all the laws in the world. Because nothing ever works unless people make it work. Your actions individually and the example you set for your children are what really count.
>
> We'll all know when we're free of bigotry. When every single one of us can look at that photograph and see just five people.
>
> That's part of what we're all about.

This advertisement was signed by the Honourable Bryce Mackasey, Minister, and J. D. Love, Deputy Minister.

Now, the subject of my address is a plea on behalf of the women of Canada. God bless them all! I am convinced that they could be classed among the smartest and most intelligent women of the world, the greatest in beauty and appearance, and second to none in efficiency.

They are to be found everywhere in all the professions, in the hospitals, in all the artistic centres, in the business world and in the homes as housewives. They have now invaded every field of endeavour and occupy, in many instances, positions of command.

Yet, here is this ad published by the Canada Department of Labour, and I particularly refer to that part of the text which says:

> What's equally insidious is that women in our work force are sometimes treated as second-class employees. In many cases they're paid less than men for the same work. They're refused promotion because

of their sex. And in spite of seniority, often dismissed first when there's a lay-off. It must stop. And it must stop now. Such unfair employment practices can destroy the soul of a nation. And its economy too.

I commend the Minister of Labour, the Honourable Bryce Mackasey, for his frankness, and I certainly agree with the wording of this ad. It is time for us men to wake up. Women are now beginning to come into their own, and I was pleased to read in a Montreal daily that on March 24, 1968, Mrs. Saidye Bronfman, O.B.E., wife of magnate Samuel Bronfman of Montreal, became the first woman in the world to receive the Eleanor Roosevelt Humanities Award and also the Woman of the Year award. The latter is presented by the Montreal State of Israel Bonds. Mrs. Bronfman, a rich woman, has beauty, money, position and compassion. Above all, she is a wife, mother, grandmother, art collector, home decorator and menu planner. My sincere congratulations to Mrs. Bronfman, who is also the proud possessor of many other honours.

May I at this time read from a Montreal weekly, published in December 1967, an article entitled "Les droits de la femme proclamés par les Nations unies"? This new proclamation was adopted on November 7, 1967. As it is published in French, I will read it in French.

[*Translation*]

THE RIGHTS OF WOMEN PROCLAIMED BY THE UNITED NATIONS

After the Declaration on the rights of man, and the Declaration on the rights of the child, the General Assembly of the United Nations adopted on November 7, 1967 the "Declaration relative to the elimination of discrimination against women". We quote below the eleven articles of the Charter of the Rights of Women.

Art. 1. Discrimination against women, because it denies or restricts the equality of the rights of women with those of men, is fundamentally unjust and is an attack on human dignity.

Art. 2. All appropriate action shall be taken to abolish such laws, customs, regulations and practices as represent discrimination against women and to guarantee adequate legal protection of the equal rights of men and women.

[Hon. Mr. Bourque.]

(a) The principle of equality of rights shall be embodied in the constitution or legally guaranteed in some other way;

(b) International instruments of the United Nations Organization and of its specialized agencies related to the elimination of discrimination against women shall be accepted by ratification or adhesion and shall be fully implemented as rapidly as possible.

Art. 3. All appropriate action shall be taken to inform public opinion and to inspire all countries with the will to abolish prejudice and do away with all practices, whether customary or not, based on the notion of the inferiority of woman.

Art. 4. All appropriate action shall be taken to vouchsafe to women, under conditions of equality with men, without any discrimination whatsoever:

(a) The right to vote in elections and to be eligible to all publicly elected bodies;

(b) The right to vote in all public referendums;

(c) The right to occupy public posts and to exercise all public functions.

These rights shall be guaranteed by law.

Art. 5. Women shall have the same rights as men as concerns acquiring, changing or retaining a nationality. Marriage contracted with a foreigner shall not automatically affect the nationality of the wife, deprive her of nationality, or impose upon her the husband's nationality.

Art. 6.-1. Without prejudice to the protection of the unity and harmony of the family, which remains the nucleus of every society, all appropriate action shall be taken, including legislation, to guarantee to women, whether married or not, equal rights with men in the field of civil law, and particularly:

(a) The right to acquire, administer, enjoy, dispose of and inherit property, including property acquired during marriage;

(b) Legal capacity and the exercise thereof;

(c) The same rights as men in relation to legislation on the circulation of individuals.

2. All appropriate action shall be taken to establish the principle of equality of condition of husband and wife, and particularly:

(a) Woman shall, on the same basis as man, have the right to freely choose a spouse and to enter into marriage only of her free and full consent;

(b) Woman shall have the same rights as man during marriage and at the time of its dissolution. The interests of children shall be the predominant consideration in every case;

(c) Parents shall have equal rights and duties concerning their children. The interests of children shall be the predominant consideration in every case.

3. Child marriages and betrothal of girls who are not nubile shall be prohibited and effective action, including legislation, shall be taken to determine a minimum age for marriage and to make registration of the marriage in an official ledger compulsory.

Art. 7. All provisions of criminal codes which constitute discrimination against women shall be repealed.

Art. 8. All appropriate action, including legislation, shall be taken to fight against all forms of traffic in women and development of the prostitution of women.

Art. 9. All appropriate action shall be taken to guarantee to young girls and women, married or not, equal rights to those of men concerning education at all levels, and for instance:

(a) Equal conditions of access and study in educational establishments of all kinds, including universities and vocational, technical and professional schools;

(b) The same variety of curricula and examinations, a teaching staff with equal qualifications, school rooms and equipment of the same quality, whether the institutions are co-educational or not;

(c) Equal opportunities regarding the granting of scholarships and other financial aid for studies;

(d) Equal opportunities of access to continuing education programs, including literacy programs for adults;

(e) Access to educational information enabling them to ensure their family's health and welfare.

Art. 10—1. All appropriate action shall be taken to guarantee to women married or not, the same rights as men in socio-economic life, notably:

(a) Without discrimination based on marital status or any other reason, the right of access to vocational training, the labour market, free choice of profession and employment, and promotion in employment and profession;

(b) The right to equal pay with men and to equal pay for equal work;

(c) The right to paid holidays, retirement benefits, social benefits for unemployment, sickness, old age or other losses of ability to work;

(d) The right to receive family allowances under the same conditions as those provided for men.

2. In order to prevent discrimination against women because of marriage or maternity and guarantee their actual right to work, action shall be taken to prevent their dismissal because of marriage or maternity and to provide paid maternity leave with guaranteed return to their former employment, and to afford them the necessary social services including child-care facilities.

3. For certain types of work, action taken to protect women for reasons inherent in their physical constitution shall not be considered discriminatory.

Art. 11—1. It is essential that the principle of equal rights for men and women be adopted in all states, in accordance with the principles of the United Nations Charter and the Universal Declaration of Human Rights.

2. Governments, non-governmental organizations and individuals are therefore asked to do their utmost to promote the implementation of the principles contained in this Declaration.

[*English*]

It is a surprising thing that, with all the speeches and declarations about the "just society" and the new united Canada which are to emerge from our present ethnic and economic confrontations, so little, if anything, is said about the place of women in this new Canada or the contribution to it that is being made by women. We hear so much about the two cultures, but little about the two sexes except in a superficial or sophisticated way.

All the problems which face Canada today—the problems of bilingualism and biculturalism, inflation, foreign aid, urban renewal, air and water pollution, housing and continued poverty in an age of plenty—are problems about which women are as much concerned as men. They are problems about which, in many cases, they know much more and in which they are more deeply involved than men.

It is true that Canada some time ago appointed a royal commission to study the various aspects of women's life in this country, but it is incredible how seldom a woman's viewpoint is aired in either of our Houses of Parliament, on radio or television or in the press. The voice of woman is rarely heard outside the home or within relatively small community organizations.

It is true that during the past year or so women provided the leadership in the consumer group demonstrations, petitions and appeals which led to the termination of trading stamps in some supermarkets and focused public attention generally upon the retail prices of food. It is also likely that women have had some influence in bringing about the legislation which made possible a reduction in the prices of health and life-saving drugs.

May I pause here a moment to pay tribute to one of our lady senators who passed away last weekend. Senator Olive L. Irvine sat in this house for many years. She was a most gracious lady, of high intellect, and she contributed greatly to the deliberations in this chamber and in many of the Senate committees. We all mourn her passing and will miss her greatly in the future. To her husband and family I extend my deepest sympathy.

Before proceeding further with my address, I would like to state that in this chamber we have now four gracious lady senators who made valuable contributions to the deliberations of the Senate. We consider ourselves very fortunate, for these lady senators in every instance possible bring to our attention the point of view of the female population of Canada.

In the greater political arena where the principal political, economic and social problems of our time are discussed, women are strangely silent and almost completely ignored. This is a serious mistake and some effort should be made, either by the political parties or by the various governments in power, to ensure that the feminine view upon these important subjects be sought, heard and, above all, heeded.

It is shocking to learn, for instance, that while less than one per cent of our annual government expenditures at the federal level is devoted to foreign aid, a hundred million men, women and children throughout the world are positively starving. Surely, if Canadian women were better informed about this situation, if they participated to a greater degree in the shaping of our national and international policies, they would not permit such misery to continue and would insist on Canada making a much greater effort to end it. Women are more concerned about such matters; their lives are devoted to the care of their families and they know what it is to have a sick or hungry child. They should be encouraged to add to our principles of government the quality of compassion.

Inflation may be a subject for economists, but the place it hurts most is the home—which is the woman's domain. She is the first to know when food prices rise, when it is too costly to replace worn-out clothing or furnishings, when the children's dental care must be postponed because of high costs. She knows when this is happening, but by then it is too late. Her participation in the necessary steps to end inflation should not only be encouraged but her views upon the subject should be solicited. Through women's organizations, schools, churches and other organizations, she has the power to exercise—she needs only to feel that she is part of the team.

Men talk about housing; women live with it or the lack of it. Men discuss poverty areas; women live in them or are in contact with them every day. Yet the plans for emergency housing, for the war on poverty and for urban renewal, are constantly made and sometimes carried through without the slightest effort to consult the women of the country.

Never, indeed, are women considered as a special group—as Canadians unlike the others, for example. The old are so considered and, of course, the young who demonstrate at schools and universities and in the streets of hippieville. There are special radio and television programs about youth and its problem; the programs for women are about cooking and homemaking; they are seldom, if ever, about the role of women as a special interest adult group thoroughly concerned about national and international programs and policies.

Finally, women make up at least half of the membership in our two language and culture groups—our two nations or communities or our two founding peoples, however you may wish to describe them. The separatists in Quebec are not all men; some of the most active ones are women. They are attracted to separatism because, as in all revolutionary organizations, they find that they are wanted and encouraged. Women have always been found on the barricades when the revolutionary chips are down; they are often the leaders, the firebrands, the inspiration to others.

In revolutionary times—and the whole world today is passing through a period of emotional and economic upheavals—the established societies must find a means of reaching the minds and hearts of women. Long, dull pronouncements of constitutional clauses and promises of legalistic and complicated legislation are poor recruiting agents among those who find their causes among hungry children or dispossessed people.

Women are much more practical than men. They view government in terms of homes and health and human happiness; they are enemies of injustice; they feel before they reason.

And it is feeling that we men in government lack today. We know all the reasons; we are filled up with statistics and historical facts. We know who won all the battles and how our rights and freedoms were won. But we have become prisoners of our superior knowledge and our respect for institutions and laws. Somewhere along the line we have left the people outside and we are much slower to respond to the cries of those who suffer, from either real or imagined injustices, than we are to answer the formal charges of the professionals who are versed in our Canadian laws.

A little feminism added to our deliberations would go a long way. And the kind of feminism I am talking about is not involved with politics or government. It is still very much in the home, but it represents 50 per cent of our population, French or English speaking.

In case I should be suspected of being thoroughly biased in favour of women, let me make one concession to the men and one apology on women's behalf. In spite of their great human qualities, their compassion, their understanding and their generosity, many women are hawks, not doves. Some of them are among the leading proponents of the war in Vietnam and they flood the newspapers and the legislators' mailboxes with their urgings for all-out bombing and more and more conscripts. This sort of thing has been true in every war. It is the women who hand out the white feathers, who talk about cowards and slackers. It is the women with sons on the battlefield who complain because their neighbours' sons are still at home.

But not all men are peace-loving, either. After all, it is the men who provide the generals and the flyers who drop the bombs. And it is the men who publicly stand in the way of peace when a way to it could be found. Basically, most women are doves in the best sense of the word. They believe in peace with justice; they believe in aid for the needy and laws which help all people to have their own homes, live in security and enjoy the good life.

Again, these are the unheard; these are the women whose voices are needed in Canada and who should be encouraged to participate in the solution of our problems.

Canada is, in essence, a marriage of two peoples—French and English. Perhaps if it is to survive, it must become an actual marriage of individuals from the two peoples. Each year a few English-Canadian men take French-Canadian brides, and a few French-Canadian men take English-Canadian brides. Among these few, there may be some separatists; after all, we have divorce courts to make their separations legal. But the understanding which develops within a family, the love for each other regardless of original ethnic background, soon makes all talk of political, economic or cultural separation unrealistic.

It has been said that it is the wives who keep the family together. It could be the wives of Canada who will keep the Canadian family together. The report of the Royal Commission on Bilingualism and Biculturalism is a magnificent document. It has much to say about Canada's most troublesome problems and it makes some wise recommendations. Read it, however, and you will notice it places great emphasis on the 10 per cent representing the part of the population in any section of Canada which is French-speaking. It says nothing about the 50 per cent all over Canada who are "woman-speaking." It talks about schools and factories and the civil service, but not about wives and mothers and daughters and sweethearts.

Certainly, on their record, men in Canada and, indeed, all over the world, have little to boast about when it comes to solving intimate national or international problems. Isn't it about time we invited the women to come into the conference room—not just one woman or two women or a dozen women, but hundreds and thousands of them—to let us have their views on what we should do, and to encourage them to join us in doing the things they think should be done?

If they helped us to even the smallest degree, the millions of hungry people around the world, the thousands of homeless at home and the people of our two founding races would be eternally grateful. The hands that rock the cradle are needed to hold men's hands that are rocking the boat.

Hon. Josie D. Quart: Honourable senators, I think I would be very ungrateful on behalf of the women of the Senate and perhaps all women's organizations of Canada, if I did not thank Senator Bourque for defending women so eloquently tonight in the Senate. In fact, I do not think a woman would have had the courage to go so far, Senator Bourque. Of course, it makes it all the stronger when it comes from a gentleman senator, particularly one from the Province of Quebec, when so many other provinces feel that the women of the Province of Quebec are sort of downtrodden. We know we are not. As a matter of fact, before Confederation, the women of Quebec were the only women in Canada who had a vote.

However, Senator Bourque, I feel that you have done a noble job and one which took great courage, because I am sure that the moment you leave this chamber someone is going to say to you, "Flattery is going to get you nowhere." But I assure you it will. And I do think that you will receive many letters of congratulations. I for one shall be very pleased to have your text with me when I speak to women's organizations, and I shall say, "See what the gentlemen of Quebec think about their women."

Thank you.

Hon. John M. Macdonald: Honourable senators, perhaps for reasons of self-preservation, just before moving the adjournment of this debate, I should say that I agree with every word Senator Bourque said respecting the ladies.

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

[*Translation*]

THE LOAN COMPANIES ACT

BILL TO AMEND—SECOND READING

Hon. Azellus Denis moved the second reading of Bill S-9 to amend the Loan Companies Act.

Honorable senators, I do not wish to keep you very long, but I merely want to point out that this Bill S-9 amending the Loan Companies Act, the passage of which I have the honour to propose, is exactly the same as the one I proposed last spring and which was bearing number S-38.

However, we must except three slight changes, two of which are explanatory and the third enables a loan company to make special loans guaranteed by the State under the Small Businesses Loans Act.

You can find the report of the proceedings on that Bill S-38 in the Debates of the Senate of May 6, 8, 20, 22, 27, and 29, 1969 and you can also refer to the proceedings of the Standing Senate Committee on Banking, Trade and Commerce of May 21, 1969.

This bill was passed by the Senate and referred to the House of Commons which was unable to consider it before the end of the last session. It was therefore necessary to bring it back again under Bill S-9.

Honourable senators, I do not intend to repeat the comments which I then made and which entirely apply to this bill. I wonder even if it would really be necessary to refer it to the committee, since this has already been done. However, I will gladly comply with the request of honourable senators.

Consequently I will merely briefly point out the main changes made under this bill to the Loan Companies Act.

[*English*]

The authorization of a letters patent system for incorporating companies and amending existing charters including specification for minimum amounts of capital ($500,000).

An expansion of powers to the loan companies, for instance:

(a) Authorization for investments in non-Canadian securities where a company is doing business out of Canada.

(b) Broadening of the power to invest in real estate for the production of income.

(c) Removal of the statutory margin required in relation to collateral loans.

(d) Authorization for mortgage loans, in excess of 75 per cent of the value of the real estate where the excess is insured under a policy of mortgage insurance issued by a registered company.

(e) An increase in the "borrowing" power, from a maximum of 15 times the capital, surplus and reserves, to 20 times.

(f) The power of companies to own subsidiaries that conduct a mutual fund business or subsidiaries that conduct business reasonably ancillary to the parent company.

The bill further provides for:

A revision in the procedures and system for control of companies that are financially weak or are in financial difficulty.

Extension of existing prohibitions against loans to directors or officers, to prohibit loans to, or investments in major shareholders, and

loans to or investments in corporations in which officers, directors or major shareholders have a significant interest.

Requirement of at least thirty days' notice to the Superintendent of Insurance in the case of a transfer of major blocks of stock.

Revision in the requirements concerning audit of books and records.

Establishment of an age limit (75) on eligibility to be elected a director.

Obligation on the party of the proportion of 75 per cent instead of 50 per cent.

Authorization to the Governor in Council to adopt regulations concerning the safekeeping of securities and the bonding of officers and directors.

Establishment of a revised liquidity reserve against demand deposits and instruments coming due within 100 days.

Requirements of quarterly statements to test liquidity and semi-annual statements to show the changes in investments and loans.

[*Translation*]

Honourable senators, I will say, to sum it up, that this bill will ease up proceedings for incorporating loan companies, giving them more flexibility and an increased operating power, while keeping them under greater control and giving the public more protection.

[*English*]

Honourable senators, if it is your wish, I will move that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce where the similar Bill S-38 was studied in detail with the assistance of technical witnesses.

Honourable senators, I move second reading of this bill.

Hon. John M. Macdonald: Honourable senators, it is not my intention to speak at any length on this bill this evening. I recall that when this bill was introduced here last session Senator Denis gave a very clear and lucid explanation of it and I am sure we are all grateful to him for doing so again this evening. He mentioned that last year the committee examined the bill in great detail. I suggest that it should be referred to committee again, not because I believe there is any practical need, after the fine explanation given by the senator, but because it may well be that during the recess some members of the committee have examined it further and might have some other suggestions to make. We certainly agree to giving the bill second reading at this time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 5, 1969

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

Prayers.

SENATE ACCOUNTS

STATEMENT TABLED PURSUANT TO RULE 112

The Hon. the Speaker informed the Senate that, in accordance with Rule 112, the Clerk of the Senate had laid on the Table a detailed statement of his receipts and disbursements for the fiscal year 1968-69.

REFERRED TO COMMITTEE

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move:

> That the Clerk's accounts, tabled today in conformity with Rule 112, be referred to the Standing Committee on Internal Economy and Contingent Accounts.

Motion agreed to.

TAXATION

WHITE PAPER—EARLY REVIEW BY SENATE COMMITTEE

Hon. Jacques Flynn: May I ask the Leader of the Government a question? An announcement has been made in the other place that preceding the tabling of the White Paper on Taxation next Friday there will be a briefing session in the Railway Committee room for the members of the other house. Will the members of the Senate be invited to attend?

Hon. Paul Martin: Yes, sir.

Hon. Mr. Flynn: May I also ask the Leader of the Government what is his intention with regard to the examination of this white paper? Will it be by a joint committee of the Senate and the Commons or by a committee of this house acting independently of the other place?

Hon. Mr. Martin: Honourable senators, after the white paper has been tabled I would propose that the matter be referred to the Senate Committee on Banking, Trade and Commerce, a committee which under our rules is designed for such purposes.

JUSTICE

COMBINES INVESTIGATION OF PUBLISHING BUSINESS IN NEW BRUNSWICK—NOTICE OF INQUIRY

Hon. J. Campbell Haig: Honourable senators, I would ask a question of the Leader of the Government:

> (1) Under what section of the Combines Investigation Act was an inquiry instituted into the publishing business in New Brunswick?
>
> (2) Who submitted the complaint and on what date?
>
> (3) What action has been taken to date and by whom was such action taken?
>
> (4) Has the inquiry been completed and, if not, when is the report expected?

Hon. Paul Martin: I would like to take the honourable senator's question as notice.

POLLUTION

CONTAMINATION OF PLACENTIA BAY, NEWFOUNDLAND—QUESTION ANSWERED

Hon. Paul Martin: In answer to the question asked previously by Senator Hollett, and mentioned by him yesterday, I can now say that the federal Government did not take any direct initiative in any respect to ensure that the plant in question be located in Newfoundland.

[*Later:*]

Hon. Malcolm Hollett: Honourable senators, may I ask the honourable Leader what he means by the words "direct initiative"? That does not answer the question I asked. I think I asked as to what part, if any, the federal Government played in bringing the ERCO plant into Placentia Bay, Newfoundland. The answer I now get is that they took no direct interest.

That does not answer the question. Therefore, I shall have to ask another question at some other time, unless the honourable Leader can explain what is meant.

Hon. Mr. Martin: So that my honourable friend will not ask me another question regarding that question, may I say that the decision to establish the ERCO plant in Newfoundland was taken by the management of the company following consultations, not with the Government of Canada.

Hon. Mr. Hollett: The Government of Russia?

EXTERNAL AFFAIRS

INFORMATION SERVICES—QUESTION

Hon. Allister Grosart: I have a question for the Leader of the Government, of which he may wish to take notice. I apologize for not having given him notice before, but the documents on which it is based have come to hand only today.

What is the nature and extent of the reductions in the information program of the Department of External Affairs announced by the minister on Monday last, and how will this be related to the department's claim recorded on page 33 of the report of the Task Force on Government Information published yesterday that it has been "...denied the necessary funds for an adequate structure to service its programs?"

Secondly, how is it anticipated that the reductions announced will remedy the alarming situation described in the report as "a pathetic shambles..." that "every attempt to set up lasting co-ordination of our information programs abroad has miserably flopped..." and that the entire department is "infected with anti-information sentiment?"

Hon. Paul Martin: Without in any way accepting the implications of the question, I will have to take that as notice.

HOUSE OF COMMONS AND SENATE ACT

AMENDMENT—QUESTION

Hon. Jacques Flynn: May I ask the Government Leader if we can expect, at least during this session, legislation to correct by amendment the provisions of the House of Commons and Senate Act pertaining to the pension scheme applicable to senators appointed before 1963?

Hon. Paul Martin: At this stage I can only say that the Minister of Finance, as honourable senators know, has been giving this matter consideration. If there is any further information to give I will certainly inform honourable senators.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. John M. Macdonald: Honourable senators, may I first extend my congratulations to the mover and the seconder of the Address in Reply to the Speech read by the Governor General. I imagine that they are getting a little tired of hearing congratulatory remarks and perhaps they are getting the idea that in offering such remarks we are but following a formal and pleasant custom. If they have such an idea, I can assure them that it is a mistaken one. I can also assure them that the compliments of those of us who are participating in this debate are sincere, because we feel that the speeches given by the mover and the seconder were excellent; they were well prepared, well delivered and worthy of high praise.

Honourable senators, I do not intend to discuss the Throne Speech itself at any length. It is the type of speech that we expect from the Government. It is a well written speech, precise language is used throughout, and in the printed form it is pleasing to the eye and a good example of the printer's art. Not wishing to be too critical, I content myself by saying that I was not impressed by the contents. Looking at the printed form I thought the package was attractive, but that the goods were of an inferior quality. I must say I was somewhat impressed by the very high praise given to the speech by Government supporters and, having listened to some of them, I read the speech again to see if I had missed a few paragraphs. But no, it was the same old speech—one which needs a lot of praise but which does not deserve a lot of praise.

Hon. Mr. Flynn: The same old gang.

Hon. Mr. Macdonald: Personally, I was also impressed by the number of platitudes the speech contained. I was only surprised it did not contain some touching and sentimental reference to the Government's concern for home and motherhood. But then, I suppose these subjects could not be mentioned because high interest rates preclude the building of homes by the average person, and the loosening of the laws pertaining to abortion preclude any reference to motherhood.

The Throne Speech mentions inflation, and in recent months much has been said of the steps taken by the Government to combat it. That it is a serious problem, no one will deny. The classical definition of "inflation" was that too many dollars were chasing too few goods. But today that definition does not meet the situation. There would appear to be a new type of inflation that is difficult to define—one

difficult to find the causes of and consequently difficult to find remedies for. Certainly the old definition of "too many dollars chasing too few goods" is no longer true. There are plenty of goods and plenty of services, but prices for goods and for services are high and always going higher. The cause of the increase in prices is not the scarcity of goods or services. Because of inflation, our money is worth less in terms of purchasing power and this creates a special hardship on those of low income and on people who must live on fixed incomes.

It is gratifying that the Government has at last realized the problem and is trying to solve it. I am somewhat concerned that the measures taken, and those proposed or threatened to be taken, seem to be old-fashioned remedies. We have no assurance they will bring satisfactory results; we have no assurance that these old-fashioned weapons will be adequate to fight a new type of inflation. Perhaps some new tools will have to be developed and used.

Professor Graham, an economist at Dalhousie University in Halifax, said recently,

> Somehow in an economy as economically diversified as Canada more tools of economic policy must be developed that can be applied in a discriminatory manner to ease expenditures where there are increasing pressures on fully employed resources, and expand expenditures where there is general unemployment.

I think it is apparent that the professor had in mind the effect of these anti-inflationary measures on the economic life of Nova Scotia and of the Atlantic Provinces in general. Think of the effect of the measures taken, or proposed or threatened to be taken—the freezing of the federal Government's general expenditures, the high interest rates, the restriction of credit and the restriction of the money supply, and other proposals! If these control or lessen inflation by cooling the economy—by causing unemployment—in Canada as a whole, so far as Nova Scotia is concerned the cure will be more deadly than the disease.

Recently, Mr. A. R. Harrington, a prominent business executive of Nova Scotia and chairman of the Nova Scotia Voluntary Economic Planning Board, expressed the opinion that the provincial economy of that province is much more seriously threatened by the effects of Ottawa's attempt to halt inflation than by inflation itself.

[Hon. Mr. Macdonald (Cape Breton).]

I do believe that in this day and age it should be possible to develop policies which would halt and control inflation without hurting the weak regions of our country more than the strong. If these old-fashioned remedies which are being applied are to be effective, then I think more unemployment is the inevitable result, and more unemployment will first come where unemployment is already too high.

The Government has announced that there will be a reduction in the civil service of about 25,000 positions, though fewer than 5,000 persons will be actually laid off, the others being eliminated by normal attrition. Perhaps I should interject here that it is somewhat startling to realize that 25,000 positions in the public service can be eliminated without any apparent loss of efficiency. I only hope that when these people in the public service are being fired some discretion will be used and some compassion will be shown. Otherwise, it will be those at the lowest level of employment, those who have no one to speak for them, those who have no economic strength, who will lose their employment so that the Government can point with pride to a reduction in the public service.

You may think I exaggerate this danger, but I have seen the notice of termination of employment received by a man who had worked for 17 years in the public service. After 17 years' service he was given eight days' notice that he was fired, and it was small consolation to him that the notice also stated that his services had been quite satisfactory. I think the final paragraph of that notice is worth quoting. It reads:

> May I offer my personal thanks for the fine work and co-operation you have shown during the term of your employment with the Department.

I can only say that I deplore a policy which allows such a thing to happen.

A short time ago we heard a report by Senator Croll on the work of the Special Senate Committee on Poverty. It was a fine report; an impressive record of the work to date of that important committee. The figures he quoted as to what is considered the poverty borderline were of great interest. Those figures show, if I may be permitted to quote just two examples, that a single person whose income is under $1,800 a year is considered poor, and a couple whose income is under $3,000 is considered poor.

Now, honourable senators, has it ever occurred to you that the burden of taxation is

bound to bear more heavily on low-income tax people than on those with a higher income? Let us take the single person with an income of under $1,800 a year. If he had an income of $1,700 a year, he would have to pay an income tax on $600 of it. This tax would amount to $77.60 a year, or more than one half his monthly income. With respect to the couple whose income is less than $3,000 a year, if the husband's income were $2,900 he would have to pay an income tax on $800 of it, which would amount to $102.80. So, by our income tax policies, we tax the poor and make them poorer.

Surely, in a country like Canada we should be able to finance our governmental expenditures without taxing the pittances of the poor. I am not going to discuss the plight of the old age pensioners, other than to say that despite the fact that their only income is old age security, nevertheless they too are taxed.

Honourable senators, I do hope that the Special Senate Committee on Poverty will consider these matters and make an interim report recommending that the Government raise its exemptions for income tax to exempt at least those who are classified as living in poverty.

Honourable senators, there is one other matter I would like to bring to your attention. I believe most people will agree that it is the first, the foremost and the most important duty of the state to protect the person and the property of each of its citizens. This has been so since people first banded together in communities. We read of the days of long ago where in those regions where "the King's Writ did not run" powerful nobles protected the person and property of their followers in return for certain services and payments. We have read that in the early days in the United States when the frontier was being pushed westward each man carried arms to protect his family and himself, and when communities were formed this task was turned over to law enforcement officers.

Today, of course, it is well recognized that we look to the state to protect our person and our property. This is done by means of a police force. This protection is given so that the citizen can, at least in theory, live in peace and walk the streets of his community without fear of injury to his person. Let there be no mistake about this, regardless of the other obligations, the first and most important duty of the state is to protect the person of the individual. Of course such protection can never be absolute. The state cannot guarantee absolute protection to its citizens. But over the years much has been done to give protection. The state has, with some exceptions, provided competent, trained and dedicated police forces. Yet even the best of forces cannot prevent these crimes against the person. They cannot be expected to do so. It is impossible.

Honourable senators, I believe we in Canada have been well served by our police forces. Yet in spite of their best efforts crime is increasing. A recent report by the Dominion Bureau of Statistics revealed that Canada's crime rate jumped 9.5 per cent during 1968. What is the solution to this problem? I do not know if there is one; indeed, I doubt very much if there is an acceptable solution. Personally, I believe that in this age of unrest and resentment, and indeed rebellion, against authority it is unrealistic to expect the state to be able to give the citizen the protection he is entitled to expect.

So, believing this, I think it follows that the state should pay compensation to the victims of crime, especially crimes against the person. Should not the victims of crime be compensated on somewhat the same principle that has given us Workmen's Compensation laws for industry? It was recognized that accidents in industry are inevitable, so it should also be recognized that crimes against the person are going to be committed and the victims should be compensated in so far as money payments can compensate.

In some provincial jurisdictions there is now legislation which provides for the payment of such compensation. It is in effect in Saskatchewan, Alberta, Ontario and I believe in Newfoundland. I think Saskatchewan was the first province to have this type of legislation and, since the provisions of all the acts are practically similar, I would like to read section 8 of the Saskatchewan Act which deals with the payment of compensation. It is as follows:

> 8.-1 Where a person is injured or killed and the injury or death:
>
> (a) is the result of an act or omission of another person that occurred in Saskatchewan and is within the description of any of the criminal offences set out in the schedule to this Act;
>
> (b) resulted to the person while he was arresting or attempting to arrest a person who committed, or was committing or who was suspected of committing or having committed, a criminal offence; or

(c) resulted to the person while he was rendering assistance to any law enforcement officer in Saskatchewan who was carrying out his duties with respect to the enforcement of law;

the board may, in its absolute discretion, upon receipt of an application in writing, make an order in accordance with this Act for the payment of compensation.

Honourable senators, I would like to see this type of legislation extended to all Canada. I realize, of course, it may well be said it is not a matter of federal jurisdiction. However, I think it should be possible for the federal Government to take the lead in this matter—to have it discussed at some of these conferences on the Constitution that are taking place—and, if necessary, to make some kind of arrangement with the provinces to the end that every citizen of Canada would be assured of being paid compensation for at least injury to his person as a result of criminal acts against him, and to ensure that there would be uniform legislation throughout Canada to provide for this.

Honourable senators, there is but one other matter I would like to discuss with you. The mover of this address mentioned the fact that Canada had extended diplomatic recognition to the Vatican. I think he was the only speaker who mentioned it. I only mention it now to say I do not join with those—even those of my own religion—who feel this was a praiseworthy action. I think the motives for this action are very questionable. The mover of the address said:

> Indeed, the Canadian Government would have put itself in a rather strange position had it actively sought an exchange of ambassadors with Communist China while refusing such an exchange with the Vatican.

I take that to mean the Government took this act to offset any resentment Roman Catholic people might feel at the recognition of Communist China and to answer in advance, as it were, criticism of their action by those with strong anti-communist sentiments. I do not believe such to be a very worthy motive for recognition.

The Prime Minister is reported to have said, "The Vatican is essentially about the cheapest listening post in the world." I do not suppose they have as many cocktail parties there as they do at most embassies. Well, honourable senators, all I can say is this is a cheap motive for recognition and one I would expect would be resented by the Vatican State. I will give the government the benefit of a very weak doubt I have and say I believe its action was motivated by a higher consideration, but, if so, it has not received the publicity these other lower motives have. Personally, and as a Roman Catholic, I could not care less whether or not Canada extended diplomatic recognition to the Vatican, any more than I would care if, for reasons of trade, it extended such recognition to Red China.

I might interject here that it does offend my sense of pride as a Canadian that my country is apparently going on bended knee to Red China to obtain an exchange of ambassadors. And I suppose also it offends my sense of pride as a Roman Catholic that my country should recognize the Vatican State for a cheap, small, low or unworthy motive.

Honourable senators, I have spoken longer than I usually do, and I thank you for your kind attention.

Hon. Hazen Argue: Honourable senators, I join with previous speakers in this debate in offering my sincere congratulations to the mover and the seconder of this motion for an address in reply to the Speech from the Throne. I believe that both of them did useful and competent jobs.

I associate myself with those who have congratulated His Honour the Speaker, and say that over the years I have always enjoyed my association with him. He presides over our deliberations with dignity, with fairness, and with great good humour.

I wish also to associate myself with those who have paid their respects to the honourable Leader of the Government and his two able assistants, and to the honourable Leader of the Opposition in this chamber.

It is my belief that the Senate in many ways can perform, and does perform, a useful function. I was pleased to note that the Prime Minister of Canada saw fit to have announced in the Speech from the Throne that the Government in this session of Parliament will recommend that the voting age be lowered to eighteen years. The Senate discussed this question during the last session while debating a bill that I presented. My bill, in general, found favour in the Senate. Honourable senators passed it on second reading, and referred

it to a committee which, under the distinguished chairmanship of Senator Roebuck, heard witnesses. I believe that the evidence taken at that time played an important part in the thinking of the Government and in this specific action. In my opinion, the Senate in this instance showed commendable leadership.

Another question that we in this chamber discussed during the last session was that of DDT and its control. At that time I expressed great opposition to its continued use. My study of the matter has convinced me that DDT is an evil substance, that it is doing great damage, that legislatures throughout the world are beginning to outlaw it, and that the Parliament of Canada should be doing the same thing. I was intensely pleased when the Prime Minister announced that the action to be taken by the Government will reduce the use of DDT by about 90 per cent.

It seems to me that environmental pollution is becoming more and more serious. Governments at various levels are paying greater attention to it, and I am encouraged by the commendable leadership shown by the Government of Ontario in taking action to clean up water and air pollution. I believe there will be subsequent action by the Government of Canada, based upon studies that have been made and discussions that have taken place, which will go a long distance in a relatively short time to make sure that we in Canada live in the best possible type of environment, and that we cease polluting our own air, water and land resources.

Honourable senators, I wish to speak this afternoon mainly on the present agricultural situation in western Canada, which is very serious. It has been the subject of a great deal of discussion in the other place. It has received much attention by farm organizations and is receiving more and more attention by provincial governments. I bring this matter forward at this time in order to impress upon the members of this house that there is in fact a very serious financial crisis in the Prairie Provinces at this time.

Commendable action has been taken in the present crop year. The Government has provided for cash advances through legislation up to $6 per acre, to a maximum of 1,000 acres and, therefore, to a maximum of $6,000 for those with relatively large farms of 1,000 acres and more.

The Wheat Board took action at the beginning of the current crop year to allow farmers who, through no fault of their own, but because of the unavailability of elevator space, were unable to deliver grain in the crop year that ended on July 31 to carry those quotas and to have them added to the quotas in the new year. This simply means that if a particular farmer was unable to obtain an income because he was unable to deliver his grain, because there were no box cars or no elevator space, he has another chance within a month or a few months from now to recover those deliveries. However, there is still a serious loss to that individual farmer because the price has been cut in the meantime. The farmers who were able to deliver their grain obtained a higher price than that which will be obtained by the farmers who, through no fault of their own were unable to deliver their quotas.

But, this is the first action of this kind that has been taken by the Canadian Wheat Board, and I commend them for it. I hope that wherever farmers have been unable to deliver their quotas through no fault of their own—whether it be the Durum quota which is slated to end on November 28, or any other quota—those quotas will be extended in order to provide this kind of equality.

There is a tremendous crop on the Prairies, as everybody knows. Harvest weather was excellent for a number of weeks, and then it turned very bad. The majority of the crop has been harvested. It is in good condition. It is in the bins. It is of high quality. But, some of the crop—I do not know the amount because it varies from district to district; in some districts it is practically nothing, and in others it is 80 per cent of the total—is still unharvested. It is grain under the snow, and I think there is a growing need for action at this time by the Government—action that was taken a number of years ago—to amend the cash advances legislation in order that cash advances may be made to farmers who have grain under the snow. The experience of the Government in the past is that the security turned out to be quite adequate. The farmers threshed their grain in the spring and repaid those cash advances.

For people in northern Alberta and northern Saskatchewan, and perhaps for people in some areas of northern Manitoba, this is a drastic emergency. The cash advances legislation is not available to them because the wheat is not in the bins. It is in the fields. The only reason it is not in the bins is because the weather has been adverse. I

would recommend to the Government that if this kind of action is taken now it will be a sensible move towards helping people who are in very serious difficulty at this time.

World markets are lower, sales are lower, and prices are lower. One can go about apportioning the blame wherever one might wish to but I think, in the main, we in this country have been caught up in a world situation that agricultural experts in Canada and elsewhere were unable to foresee. Two or three years ago every so-called knowledgeable person said that the population explosion would be so great that the future problem of the world would be in producing enough food to feed the hungry. That may be a major problem still, but it is not as great a problem. There are huge surpluses of grain, and there is an emergency on the Prairies resulting from the slowness of delivery and from the fact that the cash advances legislation, good as it is, covers only part of the crop. Costs are going up continuously, and farmers are seriously pressed for money.

The honourable member for Assiniboia in the other place, A. B. Douglas—Mr. Speaker, I pause to say that I am not referring to anything that happened in the other place but to a member of the other place—took the initiative to have a meeting with the heads of the railway companies and presented to them a document he had prepared showing the very unfair distribution of box cars among elevator points in western Canada at this time. The table he presented showed that some points had had a large number of box cars and a neighbouring point had had almost none. He compares, for example, two towns with which I am acquainted. One, Avonlea, has had 70 box cars since August 1 last. A neighbouring town, Truax, on the same railway line with exactly the same kind of grain production, has received two box cars. Mr. Douglas' table points out that this pattern is in fact too prevalent all across the Prairies.

The producers of western Canada are looking for action to solve this box car dilemma. The Canadian Wheat Board issue the orders, that they wish so much grain hauled out. The orders are handed to the elevator companies, who distribute their orders among their various elevator points. Then they are given to the railway companies to be hauled out. The fact of the matter is that the jurisdiction is so badly divided that when you endeavour to pin down box car distribution one passes the buck to the other. I would hope the railways will take immediate action to correct this unfair situation and that the Canadian Wheat Board and producers, through the block system they are talking about, may be able to bring about a very simple solution by way of a statement, namely, that the box cars will be spotted in such a way that all producers will have a reasonable opportunity to market their grain.

I have before me very interesting tables prepared by the member to whom I have referred, showing the distribution of box cars since August 1 last among various points in western Canada. I wonder if I may have the permission of honourable senators to have these tables printed as part of our record.

The Hon. the Speaker: Honourable senators, this is statistical information. Has the honourable Senator Argue given the source of this information? Is it agreed that these tables appears as an appendix to the record?

Some Hon. Senators: Agreed.

Hon. Donald Smith: Honourable senators, I rise on a point of order simply to ask the honourable senator whether he intended this to form part of the speech he is now making or does he intend that it be attached as an appendix?

Hon. Mr. Argue: I do not mind having it included as part of the speech—whichever arrangement is more convenient.

The Hon. the Speaker: I understand the consensus to be that these figures should appear in the speech rather than as an appendix.

Some Hon. Senators: Agreed.

[*The tables follow:*]

Number of Cars Shipped, August 1 to October 24, 1969

C.N.R.

Weyburn to Willow Bunch

Weyburn (CN)	78
Union Jack	5
Grassdale	2
Clearfield	2
Radville	96
Ceylon	28
Hardy	12
Ritchie	2
Bengough	29
Roncott	2
Willow Bunch	30

Moose Jaw to Goodwater

Moose Jaw (CPR)	
Baildon	10
Tilney	69
Briercrest	77
Hearne	10
Avonlea	70
Truax	2
Dummer	5
Parry	4
Radville	96
Colgate	12
Goodwater	10

Regina to U.S. Border

Rowatt	111
Estlin	102
Gray	105
Riceton	65
Bechard	57
Lewvan	54
Colfax	39
Cedoux	19
Talmage	9
Griffin	15
Innes	4
Huntoon	2
Viewfield	3
Benson	8
Woodley	4
Lampman	25
Frobisher	25
Elcott	14

Melville to Spy Hill

Melville	97
Waldron	22
Bangor	20
Atwater	17
Yarbo	7
Gerald	8
Spy Hill	5

Peebles to Maryfield

Peebles	3
Dalzell	3
Kipling	13
Inchkeith	6
Langbank	24
Vandura	5
Kelso	7
Doonside	7
Fairlight	13
Maryfield	12

C.P.R.

Weyburn to Cardross

Weyburn (CP)	55
Trossachs	9
Khedive	16
Pangman	18
Amulet	7
Bures	4
Edgeworth	4
Dahinda	7
Kayville	23
Wheatstone	4
Ormiston	6
Crane Valley	7
Cardross	6

Estevan to Minton

Estevan (CP)	90
Outram	18
Torquay	28
Bromhead	16
Oungre	8
Tribune	9
Hoffer	8
Beaubier	6
Lake Alma	16
Gladmar	15
Minton	16

Regina to Forget

Regina (CP)	42
Richardson	21
Kronau	19
Lajord	31
Sedley	25
Francis	27
Tyvan	15
Osage	27
Fillmore	65
Creelman	32
Heward	15
Stoughton	31
Forget	4

Wadena to Tisdale

Wadena	26
Hendon	7
Fosston	8
Rose Valley	10
Nora	4
Archerwill	12
McKague	4
Golburn	1
Tisdale	85

Regina to Grenfell

Regina	44
Balgonie	13
MacLean	5
Qu'Appelle	25
Winro	0
Indian Head	72
Sintaluta	15
Wolseley	54
Summerberry	26
Grenfell	46

Hon. Mr. Argue: A very huge surplus of grain on the Prairies at this time, the limited number of box cars, and very limited delivery causes a tremendous pressure on price. The Canadian Wheat Board has been slashing the prices of wheat, oats and barley. The latest figures I have show that the price of wheat, as compared to one year ago, has been reduced from $1.95 to $1.83 for No. 1. If you go down to No. 4 wheat, for example, the reduction has been 33 cents a bushel, from $1.83 to $1.50. No. 3 oats has been slashed 18 cents from 83 cents to 65 cents. No. 1 feed barley has been reduced from $1.06 to 99 cents. The producers are not happy about these prices being reduced by the Canadian Wheat Board. Nobody likes to see his income reduced, but that is not their biggest fear and that certainly is not their greatest criticism. I think they are all realists enough to know that if they cannot sell their grain at a high price it is better to take somewhat less and get some of it sold than to hold it with a fictitious high price on it.

The Canadian Wheat Board has reduced the price and is trying to move the grain, but it is moving very slowly. The farmers who have been eligible for the cash advance have taken it. They have huge obligations to meet. They have been extending, modernizing and becoming more efficient. Their capital outlay has been tremendous. They have large debts and their interest rates are piling up. They are desperate for money, so what is the situation? A black market has developed in the sale of grain. I use the words "black market" not to say that it is illegal, but to describe the type of market it in fact is. If a farmer transports a bushel of grain to the elevator he expects $1.20 a bushel. If any honourable senator wanted to buy millions of bushels of wheat in western Canada for 60 cents a bushel, half the price, all he would have to do is advertise that he is ready to buy it and it would be delivered to any point he designated. This is in fact the going price for wheat on this so-called black market. The price for barley is not the 70 cents or so at the elevator—the honourable Senator McDonald will correct me if I am in error—but it is 45 cents a bushel. The going price for oats is not the 50 or 55 cents at the elevator; it is 30 cents a bushel, perhaps less.

[The Hon. the Speaker.]

I have the latest issue of *The Western Producer*—it shows this kind of price. Here is an advertisement that I thought was significant:

> Wanted To Buy Feed At Bin Paying 25¢ for oats, 30¢ for barley, 40¢ for wheat.

This man, God bless him, is willing to go for it. I think he will get a lot of it because people are desperate for money. They are not able to get anywhere near what I think should be the correct value for their grain, so this kind of black market has developed. It is transferring money out of the pockets of the grain producers and putting it into the pockets of large feed companies and large commercial livestock feed organizations.

The financial ruin of thousands of farmers who have been producing grain only to add to the profits of some of these feed producers or large commercial feeding organizations will not accomplish anything of value. It complicates everything much further than this. The Government of Canada brought in legislation to provide cash advances up to $6 an acre up to a six bushel quota on the basis of $1 per bushel. When the farmer delivers his grain he needs to repay it on the basis of half the selling price of a bushel of wheat. So the farmer repays the loan on the basis of about 60 cents per bushel for wheat. He had an advance of $6 and he repays it on the basis of 60 cents a bushel for wheat. He has to have a ten-bushel quota to repay his cash advance. Last year the maximum quota was five bushels, and some farmers delivered four bushels or less.

In other words, this cash advance has been designed, in the light of events, in such a manner that it is absolutely impossible for the farmers to repay it, because there will be no ten-bushel quota. If they continue with it, and if the situation remains as it now is, the farmers themselves will go deeper into debt; the Government, with the white paper and this cash advance legislation, cannot hope to be repaid, and farmers will be in an absolutely impossible financial position.

What is more, it is common knowledge that in many instances there are not ten bushels of grain on hand to repay the quota, and the farmer does not have to swear that there are.

In other words, if he opened up, the cash advance would never be repaid because it could not be repaid.

All I am saying is that money is being put out and the collection formula and delivery formula are such that the cash advance cannot possibly be paid. The farmers are being faced with an impossible debt, and the clean-up boys—the feed grain companies and these big commercial feed companies—will in a short time make fabulous amounts of money. But I would think that if it keeps on they may wreck the livestock industry by the kind of production that will be brought about. They will in fact rue the day they got this almost give-away grain to put into the production of livestock.

I have been asked by people, including my colleague Senator Desruisseaux, why the farmers do not produce more livestock, why they do not quit producing something they cannot sell. I think the farmer is exactly like any businessman in this chamber. Show him where he can make a dollar and he will go there to make it. If the farmer is convinced he can make more money raising cattle and hogs than by raising wheat, he will do that, and he will do it very quickly. Some thought so in July and bought cattle at 30 cents a pound, $34 a hundredweight or more. It is now October and the price is down to $24 a hundredweight. They have already lost money—they have already lost their shirts—unless the price goes up again. For them, therefore, that has not been a solution.

The federal Department of Agriculture thinkers in this country have not yet come forward and said to the individual farmer that he should increase his livestock production by 10 per cent or decrease wheat production by 10 per cent. Some people say it should be cut, others say the farmers should be retired, others say they should keep it and we will get rid of it sooner or later. There is no consistent advice, never mind a policy.

In the last few weeks, under the Farm Improvement Loans Act the rates of interest to farmers who wish to go into livestock production enterprises has increased from 7¾ per cent to 8½ per cent. That is no encouragement to go into the livestock business.

The Premier of Saskatchewan, the Honourable Ross Thatcher, has introduced legislation in that province dealing with interest rates in a modified way by telling the banks that if they will lend to farmers in Saskatchewan up to $6,000 for the purchase of livestock, the Government of Saskatchewan will subsidize the interest rate beyond 7 per cent. I think the Government of Saskatchewan should be congratulated on that kind of course, which is helpful. But one government goes in one direction and another government goes in a different direction, and the farmer really does not know what he should do.

Farmers are increasing their livestock production. This is what they are doing, and they do not mind it. However, they are greatly afraid that if they produce too many hogs and too many cattle, exactly the same will be done to the hog and cattle market as has now been done to the feed grain market to which I have referred. Farmers are told to produce more hogs, and they are producing more hogs. When the Saskatchewan farmer starts to produce hogs he does it in a big way. I know some who are getting together collectively to get hog production plants that will cost over $100,000, because they are desperate and this is what they feel they should be doing to market their grain.

The Task Force on Agriculture has said that the wheat acreage should be reduced by 10 million acres. On the average, hog production in Canada is around eight million, and I think an acre of land should be able to produce two hogs. If hog production were doubled, therefore, it would take only four million acres of wheat production from the land. So, any major change from wheat production on the Prairies to livestock would swamp the livestock industry of this country.

I have in my hand a report from the Dominion Bureau of Statistics, which points out that in 1968 there were 3,353 million pounds of meat slaughtered in Canada. I have converted that into wheat on the basis that six pounds of wheat can be converted into one pound of meat, and it works out to a little over 300 million bushels of wheat. Anybody will tell you that there is a bigger surplus than that. So, if farmers who have produced wheat decide to produce livestock and use their surplus for the production of livestock, they could easily double the livestock production for all Canada with their surplus grain and bring absolute chaos to every beef and hog producer in all parts of Canada. In other words, if we need to take some land out of grain production and put it into livestock production, as I am sure we do, we should see where we are going and know what we are doing, and not just say we will take the land out of wheat and put it into livestock production. That could bring about even greater chaos than there is at the present time.

I have a suggestion to make. It is perhaps an emergency suggestion for something that might be used to bring about a greater measure of stability in grain prices on the Prairies. It might be used to bring about a greater equity among farmers, and I believe it would afford a sensible possibility of repayment of cash advances. I suggest that off-site storage should be provided under the Wheat Board Act so that storage away from elevator sites and located on farms may be used for the storage of grain, and the farmer who owns the grain at the time of sale would be able to obtain a sale to the Wheat Board for that grain. Fabulous sums of money are paid by the Canadian Wheat Board for storage, one cent a bushel a month. I am sure excellent off-site storage could be provided for half the rate now paid the elevator companies. Farmers would be delighted to get a moderate amount of storage and be able to obtain a reasonable return for their grain.

Honourable senators acquainted with business in this country know that almost every industry goes through cycles. There are cycles for over-production and under-production. You have cycles of high prices followed by low prices. I think we are in this kind of a cycle with agriculture and grain, and we have seen it before. We are in a period of surplus and low prices. I think the grain that is in storage on the Prairies should and could be considered a national asset for Canada. We should declare it as such and bring it into the storage facilities of the Canadian Wheat Board, stabilize its price and stop this kind of parasitic dealing in farm grain prices to the detriment of the producer. This would be a kind of inventory from which Canada would obtain a great benefit in the future.

The wheat producers a few years ago were one of the best contributors in the world to our balance of payments situation. There is no point in this nation standing idly by while hundreds or tens of thousands of farmers go into bankruptcy, give away their surplus grain and wreck the livestock industry by overproduction, only for the country to find out two or three years from now that we need greater grain production and greater production on the Prairies. I put this forward as a sensible thing to do in my opinion. It would make it possible for the farmers to repay their cash advances.

I feel that when a farmer takes a cash advance it should be on a particular bushel of wheat he has, and the Wheat Board should be prepared at some future date to relieve him of that bushel of wheat and pay him for it, as well as allow him to repay the cash advance. They have the farmers today in an absolutely impossible situation. When he is unable to pay his cash advance and is in arrears he is going to get a bad name all across Canada. People are going to say that they are dishonest, and have their hands in the pockets of the treasury. My suggestion is reasonable in that it would not increase the price of grains to the Wheat Board and it would put some badly needed money into the pockets of the farmers.

The suggestion I am putting forward is that there should be an amendment to the Canadian Wheat Board Act, whereby it would provide for off-site storage which means storage on farms. It should also provide for the payment of storage to farmers of at least half of the present storage rate paid to elevator companies. In my opinion, this kind of a program deserves consideration, particularly for the reasons that I now state.

First, it would have the effect of placing cash in the farmers' hands right now. It would ensure the security for moneys paid by the Canadian Wheat Board under the cash advance program today. It would improve the security of the Canadian Wheat Board for these cash advances and restore stability to the general price level of grains, because farmers then would not be forced to take 25 cents per bushel for oats if they could get, under this kind of assistance, payment of the Wheat Board's initial payment. It would reveal to the Canadian Wheat Board the kinds of grain that are available in the country and the quantities in which they are available, as well as reveal to the Canadian Wheat Board the position of these grains. The Wheat Board would be in a position to call them out whenever they were required. This would also remove economic discrimination accompanying present inequitable quotas and the present uneven box car distribution.

I think the people on the Prairies are good Canadian citizens and are highly productive. They have been improving their efficiency and are willing to take advice and direction, but they want a chance to pay their debts and a chance to make a living. They do not like being placed at the mercy of people who are now taking advantage of them.

I would think that comments and pressure from senators along this line could have a

[Hon. Mr. Argue.]

very beneficial result. From my standpoint this would not be a handout; it would be a businesslike arrangement for dealing with a situation that today is dangerously chaotic.

Hon. Fred M. Blois: Honourable senators, I wish at the outset of my remarks to concur with those who have spoken before me in the compliments they have paid to His Honour the Speaker for the very splendid manner in which he has performed his duties in this chamber.

I also wish to convey to Senator Desruisseaux, who moved the motion for an address in reply to the Speech from the Throne, my congratulations for a job well done.

I would also like to extend congratulations to my good friend, Senator Everett, on the splendid manner in which he dealt with the Speech from the Throne. We have heard him speak in this chamber many times and I always enjoy his oratory, but when he began his remarks on this occasion I felt that he was somewhat at a disadvantage as to just how he would find something really worthwhile to praise in the Speech from the Throne. However, he began to warm up to the subject and by the time he had finished his speech I think he had at least convinced himself, if no one else, that there were some good points in the Throne Speech.

Over the years I have heard or read some eighteen Throne Speeches. The one opening this session of Parliament, in my opinion, contained more pious platitudes and fewer definite plans for our nation's economy than any I have heard. Certainly there was little in the Speech that could give hope for aid to the Atlantic Provinces.

As honourable senators know, unemployment in the Atlantic Provinces is a very serious problem. Speaking in the other place on Monday, October 27, the Honourable Mr. Benson said something to the effect that regional unemployment remains one of the most serious and stubborn problems that the Government must face, with the rate of unemployment averaging about 5 per cent for the country as a whole, but 8 per cent in Quebec and eastern Canada.

Did anyone find anything definite in the Speech from the Throne that would correct this situation, if I might put it that way? What about unemployment in the shipbuilding industry in the Atlantic Provinces or, for that matter, along the St. Lawrence River, British Columbia or any other shipbuilding points in Canada? I am not suggesting that all the blame for this serious situation lies with the present Government. Much of it must go to a succession of governments, each of which has failed to establish a long-term Canadian marine policy. Such a policy is important to the shipbuilding industry if it is to stabilize itself in order to meet our national defence and economic needs.

According to *Canadian Shipping and Marine Engineering News,* the Prime Minister has advised that the present Government may finally do something. The message in part says: "It is the intention of the present Government not only to maintain its position in regard to provision of facilities and services but to undertake a review, at the appropriate time, of our basic marine activities and marine role." There is certainly nothing definite in this promise—"at the appropriate time". I do not know what it means and I do not think anyone else does. It could be reviewed next week or it could be in a few years' time.

The subsidy for the construction of wooden ships has been removed, resulting in many shipyards being closed, while others have reduced their work force by some 90 per cent in the last two years.

A few weeks ago, when talking with some of our Nova Scotia shipbuilders, I was told that the removal of the subsidy on wooden hulls had stopped the modernization of the wooden fishing fleet, that the picture was serious indeed and that unless some change were made the present fleet would become obsolete within a very few years. They asked me if we have these subsidies on steel hulls, why do we not have them on wooden hulls. They said that the fishing equipment installed on each type of ship is identical.

The success of the shipbuilding industry depends to a high degree on the health of the fishing industry. If we are to help the latter, we must help the former. The fishing industry deserves help. The landed market value of fish in Nova Scotia alone exceeds $100 million a year and approximately 70 per cent of this is exported to the United States. This brings into Canada $70 million in United States currency. Surely this helps the balance of payments on imports.

Talking with some representatives of our fishing industry, I asked what can Government do to help the East Coast fisherman? Naturally, I received many answers, but I will just mention a few of the suggestions that I

think are worthy of consideration. This does not mean that I necessarily feel they should be accepted, but I do think a body such as this chamber should listen to them. They are:

(a) Return the salt assistance for the salt cod industry.

(b) Return the fishing bounty of some $160,000.

(c) Continue the assistance required for the maintenance of small ports used by inshore fishermen.

The next may appear to be startling suggestions.

(d) One million dollars a year subsidy would permit the maintenance of a fleet competitive with highly subsidized fleets of other countries operating in the Grand Banks area.

(e) The federal Government should provide incentive for construction of required new ships by permitting the cost of any new ship to be written off as an investment allowance, without payment of taxes on earnings over a three-year period.

(f) Since fishing resources, according to the scientists, are being depleted, a fisherman's income should be treated in the same manner as taxable income from some Canadian corporations for which a 15 to 20 per cent depletion is allowed.

On October 24, 1969, the Canadian Labour Congress submitted a comprehensive eight-point plan, designed to re-establish the Canadian national fleet and strengthen its shipbuilding and ship repair industries, which I think is also worthy of careful consideration.

Honourable senators, I wish to give you the gist of this plan. Again I do not necessarily agree with all of the suggestions, but I would like to quote some of them:

1. Canada should restrict all coastal shipping to Canadian-flag ships.

2. The federal Government should institute a program to facilitate the operation of merchant ships under the Canadian flag.

(a) Canadian citizens or corporations should be permitted to operate ocean-going ships without tax on income. This would allow them to compete with flag of convenience nations.

(b) The federal Government should facilitate repatriation of ocean-going ships owned by Canadian citizens or Canadian corporations.

Hon. Mr. Rattenbury: May I ask, whose suggestions are those?

Hon. Mr. Blois: The Canadian Congress of Labour. They continue:

3. If after two or three years and some government encouragement this country does not have a free enterprise merchant marine, then the federal Government should establish a Crown corporation to own and operate ocean ships.

4. The federal Government should offer incentives to the shipbuilding industry to consolidate present facilities into viable competitive operations:

(a) to update the facilities

(b) to modernize the production techniques.

5. The federal Government should review the shipbuilding subsidy program, with a view to increasing subsidies, so that Canadian shipbuilders can bid competitively on orders from foreign customers.

Subsidized ships should remain under Canadian registry for at least 15 years.

6. The federal Government should cooperate with the industry in research and development of new types of ships in which Canada could become a world supplier.

7. The federal Government should expand its own fleet of specialized ships—including icebreakers, patrol vessels, and scientific survey craft—and should otherwise assist private operators in the exploration and exploitation of Canadian coastal and off-shore resources.

Honourable senators, the next matter I would like to bring to your attention has no direct bearing on my Province of Nova Scotia, but I believe we are all interested in employment and unemployment in Canada. My remarks are in connection with the phasing out of the rocket research station at Fort Churchill in northern Manitoba. The Member of Parliament for that part of Manitoba, in whose constituency Churchill is, has had this matter before the other place several times, and I understand he is going to bring it forward again. My feeling is that the members of this chamber should be informed of the situation.

Last fall I spent about one week at Fort Churchill, where I met a number of the key personnel from the research station as well as some members of the Department of Public Works and some key personnel of Pan American Airways who were responsible for much of the missile program planning. Just a few weeks ago I was back at Fort Churchill again, having talks with various officials and scientists—both those I had met previously and others, and at that time, so far as I know, no one had heard of any phasing-out program.

It was most stimulating to listen to the scientists, electronic engineers and other specially trained persons. They tried to explain to me some of the work they were doing, pointing out some of the changes they had made in existing machinery and in rebuilding some equipment or making other changes that would improve their work. One could see the pride they had in their work. I am sure any business organization would be delighted to have a staff that took as much pride in their work as these people did.

It is most regrettable that the Government's austerity program seems to be aimed at people whose work is favourably known outside Canada. I heard of the work these people were doing when I was in the United States last fall, and again when I was in Europe with the Science Policy Committee a few weeks ago. One of the European scientists said that Canada should be proud of the work its scientists and scientific engineers were accomplishing.

What is going to happen to these trained men when Fort Churchill is partially or completely phased out? Where are they going to find work? Does it mean that they must go to the United States or some other country, and that Canada will lose these trained specialists?

Let us consider what will happen to the town of Fort Churchill and the town of Churchill when many of the 400 people employed on this project are let out. Many—I think the majority—are married men with young families. Their purchasing power means much to the economy of the area. Fort Churchill has good schools, a well-equipped hospital, several stores, a bank and a post office. Surely something can be done to save the situation.

I have been told that the research station is the only one of its kind in North America, and that no place in the world is as well situated to study scientifically the aurora borealis, which has baffled the world for so long.

I feel that the Government should be asked to take another look to see if savings could be made elsewhere, provided of course that this scientific study is worthwhile. I have been told by scientists and engineers who are not from Fort Churchill that this study has been a most rewarding and a most beneficial work.

I thank you, honourable senators.

Hon. J. Harper Prowse: Honourable senators, I should like to congratulate Senator Desruisseaux and Senator Everett for moving and seconding the Address in Reply to the Speech from the Throne, and all of those who have taken part in the debate. It is not my intention to go into the Speech in great detail, for reasons which will become apparent in a moment; nor is it my intention to add to the growing list of suggestions as to how we could solve all our problems, if we could just get enough subsidies to enough people so that everybody could live well without having to work or pay taxes.

I had the opportunity in the fifteen years I was in the Alberta Legislature to listen to about eighteen Throne Speeches read there. During that period I was responsible for answering them, most of the time as Leader of the Opposition. I learned then that there are rules about Throne Speeches. The first rule is that they should never contain anything specific; the second rule is that they should express in as good English as possible —or here in a good French and English as possible—our most pious hopes. And this Speech does that well.

I do not think it is fair, or would be fair for me or anybody else, to criticize the Government for having expressed the pious hopes of the things they intend to achieve, because after all that is all a Speech from the Throne is expected to do. But I shall watch with interest, as will all of us, the legislative program brought forward that in detail will try to translate the pious hopes, which we read here, into the kind of legislative action and the kind of economic and social realities the country needs.

The value of the Speech from the Government's point of view is that it allows the Government to assign priorities to the many problems with which it is faced. The value of the debate is that it gives all members of both Houses of Parliament an opportunity to discuss in some detail the particular things which to them appear important, and to advise the Government of the priorities and courses of action it should take.

My reason for speaking is that I hope what I will have to say may in some way be of value to the Government in its efforts to make this country a better place to live in and to give some practical legislative effect to the expressed wishes of the people.

In these days it is fashionable to speak of governmental actions and social phenomena in terms of gaps. Because we are so dependent for our information on the overflow from the mass media in the United States, we are familiar with such terms as the credibility gap, which finally led to the resignation of President Johnson in the United States, the missile gap, which has led to all kinds of things, and the generation gap, which leaves most of us of our age completely confused. While the list of gaps seems to be inexhaustible there is no doubt about their importance. In Canada where we have our direct and prime responsibility we have some gaps of our own. We have an understanding gap between those who were brought up in French-speaking homes and those who were brought up in other homes in this country. We have an understanding gap between those who want higher wages and those who want lower prices, even though often it is the same person. We have an understanding gap between those who live in different parts of the country. Let me suggest to you that all these gaps really have one single element of importance to each of us as legislators. It is that, like warning lights, they merely indicate to us the areas which ought to receive immediate attention.

The appearance of a gap is like the flashing of what is called the "idiot light" on the instrument panel of the modern automobile. I can remember and so can most of us here when an automobile had on its instrument panel an oil-pressure gauge that actually told in pounds per square inch what the oil pressure was. You could simply look at it and see whether your pressure was high or low. You had an ammeter which would tell you how many watts or ohms the generator was charging or discharging. You had a temperature gauge which told you in degrees how hot your motor was running. But modern technology did not trust us. Technologists felt that it was a little ridiculous to leave to ordinary people such as ourselves the responsibility of deciding whether the oil pressure was high enough, whether the generator was charging sufficiently, or whether the motor was running hot enough. So they took out those instruments and put in a little blind light. By that I mean a light that does not ordinarily show, but if the oil suddenly gets too low and the pressure drops, on comes a red light with the word "oil" in the middle of it. This is not too hard to understand. And if something goes wrong with the generator, on comes another red light that says "generator". And if the motor gets too hot, on comes another red light which says "hot". These lights are referred to in the trade as "idiot lights", I presume because even an idiot knows what they are supposed to tell us and so we get the message.

It seems to me that in these days in our own society we have idiot lights, and that is all we have. In the old days of the oil-pressure gauge you could look at the gauge and see how it was functioning, and if the pressure was going down it gave you a chance to correct the situation before any damage was done. You could also see how the temperature was running, and if it was getting too hot you could stop for a while and let your motor cool instead of just travelling on and having the situation brought to your attention when it was too late to do anything about it.

Unfortunately, nowadays we get our warning signals in our society after the event, and nobody has been able to devise an ammeter, oil-pressure gauge, temperature gauge or thermometer which will tell us when we are getting into trouble. And it seems to me, honourable senators, that we are in trouble. We can see the areas of trouble. We have the economic area, and there we know we are in trouble because today nobody's income is sufficient to meet his output. Prices seem to keep going up faster than you can get your hands on money to pay your bills. There are many theories as to why this should happen but nobody has come up with any kind of solid cure for it yet.

We have social problems in that people living in one part of the country just do not have any kind of economic opportunities, while people living in other parts of the country or in other segments of society do not seem to be able to handle all the opportunities they have. We have our disadvantaged areas and our disadvantaged people.

We have the problem caused by the different set of values which the young people today seem to have compared with the set of values which our generation thought were based on some kind of eternal truth.

Of course, honourable senators, we have had economic difficulties before. With one or two exceptions we are all old enough to remember the depression. After we had come

out of it we were satisfied that, had the economic theories of Lord Keynes and one or two others been known to us beforehand, we would probably have never got into the depression in the first place. We figured that all it took was the application of a few economic principles to the management of our economy and we would have no problems. And so we came on with confidence.

Certainly after the war we came through a period when we thought we might be going to have another depression. However, we did not have one and we figured everything in the garden was lovely, that from here on it was going to be the Garden of Eden and the only thing that was going to happen was that the colours would become more beautiful as the world grew older. But, all of a sudden, as Oscar Wilde said, "the tune went false." And what we have today is runaway inflation. Great sections of our people are beginning to be afraid, not just that their income may not be sufficient tomorrow to look after themselves and their families but that they may not even have a job. Technology, which was to be man's instrument and slave, has begun to appear as the competitor of ordinary people for jobs—not as man's assistant, mind you, but his competitor. The result is that today we begin to wonder if we are the master of the machine or if we have become the slave of our own technology and of machines.

Can it be that we sentient human beings, the finest handiwork of the Almighty Craftsman, have become the slaves of our own creations? And if this is not the warning light that says, "hot" or "boiling" or plain trouble, clearly enough for anyone to see, then I do not know what is.

How have we been trying to meet these problems? We have been using the conventional wisdom of the conventional economists. Let me tell you that nothing John Stuart Mill told us helped us to get out of the depression, and it is pretty obvious, now we have been applying the Keynesian school of economics, backed up by Galbraith and Friedman, that we are not doing much better.

I suggest to you in all seriousness that the laws of economics have changed from time to time. There is only one thing that has remained the same. When the professor explained the law to us he always prefaced his remarks by saying, "Other things being constant, if 'A' happens then 'B' will tend to follow." Remember? The only thing that has remained the same is that other things never remain constant, and just as we started to fight World War II on the basis of World War I experience, so we are today trying to cope with the problems of the seventies with a wisdom that is based on an analysis of the problems of the thirties. We can expect some great disappointments before we find the answers. That is economics.

I suggest this is something a Senate committee might care to take on. Cabinet ministers are too busy to take it on, so a body such as ours should. However, be that as it may, we are going to need new solutions for new problems, because we have never been able in the history of mankind to solve new problems with old solutions. I think that is why we are in trouble today.

People wonder why costs are up. When I walk down the street and see an institution offering me 8¾ per cent interest on my savings, guaranteed without risk, surely there is the answer? I do not have any money to deposit; all I am looking for is somewhere to borrow money at a reasonable rate. I figure that if it costs them that much, then at 10¾, 11½ or 12 per cent, Prowse, you are beaten before you start. If we are paying 12 per cent for capital, if our businessmen are paying 12 per cent for operating capital and 12 per cent or more for their risk capital, and this is all added to by everyone who takes his bite on top of it all, then why should we be surprised if prices are high? How could they be anything else?

The biggest mistake this house ever made—and let us not blame anyone else—was when we sat here quietly and let people convince us that if we just took the 6 per cent interest ceiling off the bank rate, then interest rates would go down, that if we tied the interest rates to the demand for capital we would put the whole country on the move. What rubbish! So much for economics.

The next problem we have is social. It used to be the idea that a man could get a job by which he could make a decent living and keep his family in respectable poverty. That was all that was expected of him, and that was all society was expected to do, to provide him with that kind of opportunity. If you mention poverty even to the fellow on relief today, he immediately becomes a problem that has to be solved and is not something you have taken care of. Ordinary working wages have reached a point today where maybe they have some value, because the ordinary labourer has become aware that taxes are tough to pay on his reasonably high income.

We have a great number of people out of work in Canada, and we are told we cannot beat inflation without creating unemployment. So, we have to take a balanced risk. We are told that for some reason Canada will have a greater amount of unemployment for every percentage point drop in our cost of living than they will experience in the United States. I will have to accept that figure. I do not know how they arrived at it in the first place, but it sounds all right.

The man who is unemployed does not care what wage rates are; he does not care what incomes are, and he does not care what tax rates are. If we let too many of our people become unemployed because we think that by so doing we may benefit one sector of the community by reducing prices, we can easily create a situation in which many people in this country, every one of them with a vote, will not care. So, I say that socially we have a tremendous responsibility to see that the maximum number of people are kept working.

We are not going to solve this problem with any kind of formula someone offers us, whether it is the guaranteed annual income or whatever you want to call it. I say that because human beings are people, people are animals, and animals have behaviour patterns, and one of the things a man needs is the feeling that he is necessary. We have not yet come up with a religion, even, that has convinced people that they make themselves necessary by accepting what others give. Basically, and fortunately for us, it is still important to a man's vision and image of himself that he should be able to say, "This I have done with my two hands. This I have created. This I have learned. This I have bought. This is mine." And the moment we lose sight of that, then watch for the idiot light, because if we take away from a man his respect, if we leave him with only his needs, then his needs are endless.

When I was married in 1937 I was earning $75 a month. The only difference between then and now—my wife and I have discussed this many times—is that now there are more things we want and cannot have, and they all cost more. I was certainly fortunate at that time, because I had a job while many people did not. The one thing I have learned is that every time I am able to improve my economic position, or my command over goods and services, I need more. For instance, if I buy a boat, I need a motor for it. Then I have to buy fuel to run it. I have to buy life jackets, and I have to fit the boat with lights so that I can run it at night. Then I have to get a licence for it. It seems that the more one gets, the more one needs. If we create a class of society that is contributing nothing except its ability to consume, then it will consume us all.

When we are looking at social problems we should not be talking about alleviating poverty, but of giving men back their manhood. The man who is out of work living in a ghetto in the city, and the native who has never been off the reserve in northern Canada, have one thing in common, and you cannot translate it into bucks. They want to be proud of "me".

Honourable senators, I come now to the younger generation. This country was populated by people who came here because they hoped that in this country they would find the kind of opportunities for their children that they had never known in the lands from which they came. Speaking for myself, I thought we were doing pretty well. We have a good school system. We have universities, and we have technical schools, and we have all kinds of training programs. I think it is true to say in Canada today that we have created a situation where any young person, by just showing an interest, can get as much education as he can use. What happens? They burn the computer. They do not like it; they do not want it. Perhaps they are not the ones who lit the match, but they sympathize with those who did. They say, "Maybe they had a good reason."

Honourable senators, we cannot blame them. If their sense of values is not the same as ours, then there is only one place where the fault lies. Human beings are strange animals. It takes us fifteen or sixteen years to reach maturity, or the point where we can look after ourselves. For the first sixteen years of our lives we have to be looked after. In a basic, normal life children are brought up in close contact with their parents. Fathers teach their sons how to hunt, and mothers teach their daughters how to keep house, to tan skins, to make beds, and do the things they are supposed to do. But, we were so damned busy in the last thirty years enjoying our prosperity that we did not even bother to see that we had decent teachers and housekeepers to look after our children and to train them. If our young people have grown up with no respect for our sense of values, then let us not blame them. Let us accept the responsibility which must be ours.

I do not know what the answer to all of this is. I am like the Speech from the Throne—I can point out the problem. But, I am convinced that if we can get people to realize that these are problems, that the solutions are not easy, that nature gives up none of her secrets cheaply, and that for everything we want we have to pay the price, then we will be part way along the road.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 6, 1969.

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a Joint Statement, dated November 3, 1969, made by the Minister of Consumer and Corporate Affairs and the Attorney-General of the United States, respecting co-operation between Canada and the United States in antitrust and anti-combines matters.

Copies of the final Report of the Task Force on Government Information, dated August 29, 1969, Volumes I and II, entitled "To Know and Be Known".

Report of the Canadian Corporation for the 1967 World Exhibition, including its Statements of Accounts and the Report of the Auditor General of Canada and the Quebec Provincial Auditor thereon, for the year ended December 31, 1968, pursuant to section 18 of the Canadian Corporation for the 1967 World Exhibition Act, chapter 12, Statutes of Canada, 1962-63, as amended 1963.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 1 to 7, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

RULES OF THE SENATE

FIRST REPORT OF COMMITTEE ON STANDING RULES AND ORDERS

Hon. Hartland de M. Molson: Honourable senators, I have the honour to present the first report of the Standing Senate Committee on Standing Rules and Orders.

The Standing Senate Committee on Standing Rules and Orders, having, pursuant to Rule 67 (1) (d), examined Rule 84, reports as follows:

Your committee recommends that the present Rule 84 be deleted and the following substituted therefor:

"84. (1) A select committee of the Senate shall, within thirty days of the final accounting of any special expenses incurred in connection with its work, report the same to the Senate in reasonable detail.

(2) If the Senate is not sitting at the end of any such thirty-day period, the said report shall be made within fifteen days of the resumption of its sittings and if the sittings have been interrupted within such period by a prorogation or dissolution of Parliament, the said report shall be made within fifteen days of the commencement of the next ensuing session.

(3) In addition to the final report referred to in sub-rules (1) and (2), within fifteen days of the commencement of each session, a select committee of the Senate shall make an interim report of any special expenses incurred by it during the preceding session which have been accounted for, together with an estimate of any such expenses not yet accounted for.

(4) Any such final or interim report shall be laid on the table by or on behalf of the chairman of the select committee concerned, but if a special committee is not reconstituted following a prorogation or dissolution of Parliament, the said report or interim report shall be laid on the table by or on behalf of the senator who was most recently chairman of that committee.

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

Hon. Mr. Molson: Honourable senators, with leave of the Senate, and notwithstanding Rule 45 (1) (f), which requires 24 hours' notice, I move that the report be adopted now.

I would be very loathe to hasten the presentation or the consideration of this report by the Senate except for one reason. The Clerk and those to whom we entrusted the task of producing in final form the new rules have at the moment a galley proof of the appendix to the rules which will be returned promptly for final printing. If we approve this change to Rule 84 today, it can be included in the new book which is being prepared for publication. If we delay this amendment, I fear that the new book may

come out with a rule which is already out of date. That is the only reason for what might appear to be unseemly haste.

As to the change of Rule 84, some of you will remember that I made a report on behalf of the special committee on the amount of money it had expended in its work last year. To do so, we had to reconstitute the committee for one sitting only of the Senate, because we could not very well submit our report when the committee did not exist owing to prorogation. With the help of the Clerk of the Senate and the Law Clerk, the committee has tried to provide in this amended rule a method of reporting the expenses incurred by committees that are specifically authorized to incur expenses, at the end of the session or at the beginning of a subsequent session, regardless of whether that committee had ceased to function by virtue of a prorogation or otherwise. In other words, we have to amend the rule to make it possible to report on the finances of the committee concerned, regardless of what had happened in the interim.

As a second point, every committee which is authorized to incur expenses—and most special committees are—will have to report at least once in each session, on the expenses which have been incurred. We think this is desirable. Honourable senators appreciate that we have had committees which have continued for as long as five or six years—I think this was so in the case of the Special Committee on Land Use—and it would have been rather futile to report the expenses of such a committee after it had run for six years.

Honourable senators, I think this amendment is worthwhile. It has been agreed to and has the support of the committee, and I trust that it will be given approval by the chamber.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. Paul Martin, with leave of the Senate, moved:

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

Motion agreed to.

MASS MEDIA

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

> That the names of the honourable Senators Giguère and Urquhart be removed from the list of senators serving on the Special Committee of the Senate on Mass Media; and
>
> That the names of the honourable Senators Bourque, Smith and Welch be added to the list of senators serving on the said special committee.

Motion agreed to.

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—DEBATE ADJOURNED

Hon. A. Hamilton McDonald rose pursuant to notice:

> That he will call the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO Bases in Europe.

He said: Honourable senators, in rising to speak on the subject of the Fifteenth Annual Conference of the North Atlantic Assembly held in Brussels, Belgium, from October 16 to 21, 1969, and, in particular, the discussions and proceedings of the Conference and the participation therein of the delegation from Canada, and the visit of the delegation from Canada to NATO bases in Europe, it is my intention this afternoon to give a brief report to the house on the three particular trips that it was my privilege to take over the last few months.

First, I would refer to the trip that I, with three members of the other place, made to NATO bases in Europe from September 1 to 14 last; second, I wish to report on the meeting of the North Atlantic Assembly held in Brussels from October 16 to 21, and, third, I shall report on my trip to West Berlin as a guest of the West German Government from October 22 to 25. I shall also have a few remarks regarding a side trip I took on my own to East Berlin for a short period.

On September 1 we arrived in Brussels and were informed that the Belgian Air Force had made a DC-6 aircraft available to the delegates who were to tour European bases of NATO. I wish at this time to express my thanks, and I am sure that of all the Canadian delegates, to the Belgian Government for this courtesy in that it made easy for us to cover a very large area of Europe in a short space of time. As a matter of fact, we covered some six countries in 14 days. The arrangements that were laid on by the Belgian Air Force were exceedingly proficient, and we express our thanks to them.

When we first arrived in Belgium we were met by the Secretary General of NATO, Mr. Philippe Deshormes, at the Assembly Secretariat Headquarters in Brussels. He gave us a short briefing with respect to the areas of Europe that we would be visiting and the facilities that had been put at our disposal.

We also met there the two conducting officers, Colonel Cochrane from the United States Air Force and Commander Laturner from the German Navy. Again I want to express our gratitude and thanks to Mr. Deshormes and to the two conducting officers for the arrangements and the management of our tour. No tour could have been better arranged; we could not have asked for better facilities. All in all, it was an exceptionally good show. Many people had put in a great deal of work and effort to make sure that we saw everything there was to be seen in a short period of time and that our comforts were taken care of.

In the afternoon of September 1 we proceeded to Casteau, near Mons—I know that will bring back many memories to some of the returned veterans of World War 1. SHAPE Headquarters are located outside of Casteau. These are the new headquarters built after the French Government requested that NATO Headquarters and forces should leave France. The new headquarters are located on what was a small civilian aerodrome on some very low-lying, swampy land behind the aerodrome. In a matter of about six months the allied forces went in, drained the swamp, put in fill and built all the new buildings. They have, in my view, provided an excellent headquarters for SHAPE.

This also serves as the headquarters of SACEUR, the Supreme Allied Commander in Europe, General Goodpaster. During the tour of the facilities at SHAPE we were briefed by General Goodpaster's number 2 man, General Bray, a general in the United Kingdom army. The arrangements of the tour were excellent in another sense in that we started our tour at NATO Headquarters and then went to SHAPE and then on to the divisions—central, northern and southern divisions—and then into the field. So, we had a general review from the top structure right down to the men in the field who would do the fighting, if fighting were necessary.

From SHAPE Headquarters and SACEUR we went to the Allied Forces Supreme European Headquarters in Brunssum. Again we were given a tour of the facilities, and in the afternoon we travelled a short distance from Brunssum to Glons to inspect the NADGE Training Centre. I do not know exactly what the letters NADGE stand for, but the centre is used to train people from all NATO countries, including France, to operate an early warning system for supersonic aircraft. In this modern age the supersonic aircraft has revolutionized the methods that must be used to give any warning at all of low-level or even high-level attacks.

I repeat that France was taking part in that program with other NATO countries in its cost, training and facilities. This is NATO's answer to an early warning system in Europe. Any of you who have seen the film now showing in Ottawa and other cities, "The Battle of Britain", will have seen some of the first radar facilities available back in 1940, and if you had the opportunity to visit NADGE today you would see the tremendous advances made in radar. Without this system, NATO members are convinced they would have no warning at all, especially of low-flying aircraft.

On September 3 we proceeded from the Central Army Group down to Heidelberg, to CENTAG. There we met United States Army General Polk, who is in charge of the United States Army overseas. We were again given a tour of the facilities. His briefing chiefly concerned the American ground operations in Europe.

On September 4 we proceeded to Grafenwoehr which is a training area. There we were briefed with regard to the patrols along the border between West Germany and Czechoslovakia. We had an opportunity of inspecting the equipment used to patrol the border, and of looking through a device much like the conning tower of a submarine, with a periscope which is raised to allow you to look over to the other side of the border and see what your colleagues in the Russian and Czechoslovakian armies are doing. It is rather an eerie feeling, to be at the border and to be able to look at your potential enemy through a 'scope that brings him up to within what seems about 10 or 12 feet. There is constant surveillance, not only on that part of the border but right from north to south throughout Europe. We were fortunate to have the opportunity of seeing this at first hand.

We also visited a firing range where artillery and tanks were practising. The accuracy and killing power of modern weapons is almost unbelievable. Many years ago I had the opportunity of spending a short time in the artillery. We had old 18-pounders and we used to be allowed 10 rounds for ranging. If anyone takes 10 rounds to range now he is a dead duck, because the American Army on this occasion showed us that with artillery the second round is on the target and, in many instances, so is the first. It is not a matter of measuring degrees between your knuckles any more. The artillery and tanks are controlled by modern electronic equipment, and their accuracy and rapidity of fire are astonishing. This led me to certain conclusions regarding anyone who wants to attack central Europe. Perhaps we could not prevent the Russians penetrating or even conquering Europe, but, they will have an awful bloody nose if they try it.

The same is true of the tank demonstration at the training school. The American Tank Corps comes into this particular training area twice a year, when the tanks are put through two exercises, one in daylight and one at night, and they must have a minimum score, in order to pass. If they do not pass, they remain there until they do. The tanks are brought in by rail and each crew has the tank it would use in time of war. Again, the speed and accuracy are unbelievable. With tanks travelling at some 45 miles an hour, it does not take long to go from the eastern border of Germany to the Channel ports. I came to the conclusion that you cannot back up very far, because you would have to back up fast with artillery and tanks moving at 40 to 45 miles an hour.

In this demonstration of the American tanks all weapons were used. Each of the particular tanks we saw was equipped with a 155 millimetre gun, a large calibre machine gun, and small calibre machine gun. As they moved down the road, or the course, there would be a small explosion that identified the target off in the distance, and it amazed us to see how rapidly a tank could lay on to its target and hit it 99 times out of 100 with the first shell. The large machine guns use an anti-personnel bullet which is about the size of a man's finger. The targets used were wooden dummies. I do not know how a soldier would survive in the area of firing.

I presume that our potential enemy, Russia, has similar equipment. I repeat that if there is ever a conflict, with the non-nuclear weapons that are available today it would be a holocaust. I shall have something to say about the nuclear weapons later.

Then on Friday, September 5, we were taken to Oberammergau to visit a NATO weapons systems school. We were shown, by means of projected photographs, the aircraft that are available to the Soviet Union. There were not many surprises there. Pretty well all of their front line aircraft have been referred to in the daily press of Canada. But, what staggered one was the number of aircraft available to the army and navy of the Soviet Union. Their aircraft are first class, and are probably as good as any in the world, but the number that they have is just fantastic. There are some 7,000 fighters on the borders between Western and Eastern Europe. When honourable senators consider that Britain had during the Battle of Britain only 600 fighters, they can imagine what would be going on in the sky if war ever broke out in Europe today.

The Soviet navy is something new. During the Second World War, and for a long period after, the Russians had virtually no navy. They had some small ships that were used chiefly for coastal work, and they very seldom ventured out into the oceans of the world. Today they have probably the second greatest navy in the world. They have some 360 submarines—about four times as many as Nazi Germany had when war was declared in 1939. These submarines are concentrated in three areas—the North Atlantic, the Baltic, and the Mediterranean. Many of them are nuclear powered. Many of them have a missile launching capability. In my opinion, the

Russians have what is probably the greatest submarine navy in the world today.

The Soviet Union graduates about 900 marine design engineers and naval architects each year, which is substantially more than any other country in the world. The Soviet oceanographic research fleet is larger than all the rest of the world's oceanographic fleets put together. In addition to that, the Soviet fishing fleet is the largest in the world. It has up to date equipment, such as the most recently designed fishing factory ships carrying 40 to 50 ton vessels, which could be replaced by landing craft in the event of war.

The Soviet merchant fleet comprises a greater percentage of modern ships than the modern fleets of the west. Among them are about 80 large-hatch ships which could easily be adapted for military transports, merchant marine tankers and for other uses during wartime. This is new; the Russian navy has been built almost completely in the last 20 years. This brings a new threat to the western world. I can see very little defence potential against the present Russian navy in its activities today. They are in the Mediterranean, the Atlantic Ocean, the Pacific Ocean, and as a matter of fact they are at the moment the second largest fleet afloat. If they continue the building program they have been carrying on over the last few years, it is only a matter of time until they will be the greatest sea power on earth. I repeat that I do not believe that this sea power is being built to defend the Soviet Union.

The thing that interested me most at this NATO weapons briefing was the equipment that is available to the allied forces. Again, I presume that the Russians have similar equipment and the potential to fight a nuclear war without getting into holocaust in which you would shoot missiles from one continent to another. I am convinced that the western powers cannot prevent the Soviet Union from over-running Europe with conventional weapons. There are 20 divisions on our side stationed in Europe, with 80 divisions across the border facing them. We are told by the authorities that their divisions are not as well trained and equipped as ours, but they do admit that we are outnumbered virtually three to one. Nobody can tell me that with the modern killing power of conventional weapons one tank can stop three tanks or one man can stop three men. I do not believe it is possible, and I am convinced that if the Russians attacked central Europe it would be only a matter of hours, days at the most, until some type of nuclear weapon would have to be used or else you give up the ghost.

I mentioned a moment ago that you do not have much territory to give up. Look at the map of western Europe. There is Norway, Belgium, Denmark, Holland, West Germany, France, Italy, Greece and Turkey. If 80 divisions struck into central Europe, I suggest you would be back into the English Channel before you knew what had happened to you.

I am convinced that nuclear weapons can be used without getting into a holocaust. That is the reason the western powers have adopted a procedure known as flexible or appropriate response. It is possible to fire a nuclear device, for instance, from a 155 millimetre gun, from a tank or from an artillery piece. It is possible to lay nuclear land mines and to warn the potential aggressor: If you come beyond a certain point you will explode the nuclear weapon, not I. In other words, the capability of these small nuclear weapons with which you have some control over the area that would be affected is the only deterrent to the Soviet Union in central Europe today. I believe that if the Russians attack in Europe these weapons will have to be used. It is my hope that the potential aggressor would be told in advance that if he proceeded beyond a certain line this would be the consequence. Of course, if they proceeded beyond that, then I suppose the end result would be a nuclear holocaust. I cannot believe that the Soviet Union, or any other major power, would be prepared to pay the price that they would have to pay as a consequence of detonating a nuclear weapon. I think it is the deterrent.

I would hate to see the day that any power would knowingly explode even one of these smaller nuclear weapons, knowing full well that it would be followed by such terrible weapons of destruction as the Honest John, the Sergeant and the Pershing. That would be the end of mankind.

I wish to refer to a speech made by Senator Aird in this chamber on December 17 last. At page 782, he said:

> —As Canada's distinguished former Prime Minister, Lester Pearson, pointed out during his current series of Reith Lectures over the BBC, the strength of NATO's conventional forces would not be sufficient to resist for long an attack by the much more numerous conventional forces of the Warsaw Pact nations. I quote from Mr. Pearson's words:

> If NATO wished to defend itself against aggression from eastern Europe, it could not do so successfully at present by the use of conventional forces against the same kind of attack. It could only make its collective will prevail by the threat or the use of nuclear force, which would mean taking the responsibility for beginning a nuclear war and destroying both sides in the process.

I agree entirely with that statement, with the exception of Mr. Pearson's last few words, that it would mean taking the responsibility for beginning a nuclear war. I do not think that is necessarily so. I repeat that the potential enemy can be told, "If you proceed beyond a certain point you will set off the nuclear land mine." It is then up to him to make that decision, whether he wants to pay that price or to reconsider his motives and perhaps lessen his demands.

We proceeded from the NATO weapons systems base to Munich, where we were given a day off and had Saturday in Munich. Munich is a very beautiful city, for the most part rebuilt since the last world war. I understand that the city was written off in a matter of three days by the allied air forces. It has been almost completely rebuilt. It lies in one of the most beautiful parts of the world that I have ever seen. Bavaria is beautiful country and I certainly recommend it to those who have never visited that part of Europe.

On September 6 I took the opportunity to find the old house where Neville Chamberlain's photograph was taken with the umbrella over his arm when he made the speech "Peace in our time." It is about the only original house left standing in that part of Munich. I also visited the old beer hall, and had a beer there. That is where Hitler made one of his first speeches when he began to gain power in Europe. His first contribution was actually in a beer hall in Munich.

We travelled the next day, Sunday, from Munich to Lahr. There we visited the 1st Canadian Wing, which is commanded by Brigadier General C. H. Thompson. We were more than pleased to have this opportunity to visit Canadians. We were also pleased to learn from troops from virtually every country in NATO the regard in which the members of our Canadian armed forces are held. The Canadians out of Lahr, flying CF104s, win virtually every competition in Europe. They are judged to be one of the best wings in the allied command, and it was a great pleasure to visit with them.

They were concerned over what role they would be playing in the future. However, they told us plainly that it was not their responsibility to decide what role they played, but whatever role their country asked them to play they would carry out to the best of their ability, as they always have. I am sure they will continue to carry out any new responsibilities assigned to them.

We left Lahr and went on to Bergen, Northern Germany, in the plains region. There we were given the opportunity to watch the Third German Corps in a mock battle, called "Black Knight." Again the fire power was impressive. We were sitting in some bleachers built up overlooking a valley. The mock battle took place down in the valley and all the weapons of that corps at their disposal were used. If only people could see the killing power, there would never be another war. The accuracy is unbelievable, not only of tanks and artillery but of rockets. They have a rocket launcher that shoots 36 rockets at once. How anybody can live through it, I do not know.

We have all read a lot about napalm. They used napalm on a hill in front of us. It is the most vicious thing I have ever seen in my life. Two aircraft went over, and after dropping the napalm there was nothing left on that hill but black ground; anything that had been there was gone; the whole wooded area completely disappeared before our eyes in a matter of moments. These are the modern weapons, apart from nuclear weapons, that are available in a war, and I am sure all of us pray to God they will never be used. But I am equally convinced that without them we would probably be facing some of the difficulties we were facing before NATO was formed, to which I will refer later.

We left that area of Germany and went to Bergen, Norway, to visit some of the submarine pens built by the German navy during the last war. Bergen is now the headquarters of the northern area defence of NATO. They have also built new machine shops underground, dug into the side of the mountain—a very impressive sight. Unfortunately the weather was not good while we were in Bergen. I should very much like to see that part of the country in sunlight; it is a rugged and beautiful part of the world, but one needs the sun truly to appreciate the magnificence of its beauty.

We then travelled to London, to Northwood, which is the headquarters of Channel

Command, where they have underground facilities for monitoring the channel areas of the oceans.

From Northwood we went to Naples and had the privilege of visiting AF South, which is the headquarters of South Command. They are responsible, of course, for the protection of Italy, Greece and Turkey. They are also responsible for the Mediterranean. One of their great worries is the ever-increasing presence in some strength of Russian vessels in the Mediterranean. We had an indication of the co-operation of France with NATO on the day we were there, in that we were shown on their charts where the French air force was shadowing a Russian flotilla coming through the channel and heading for the Mediterranean.

While there we also had an opportunity to visit Salerno and see the beaches where the landings took place, and where the battles were fought around Salerno. The following day we flew from Naples to the Defence College at Rome. On the way we were shown Monte Casino, which you all know played such a prominent role during the campaign in Italy. We only saw Monte Casino from the air, but it has been rebuilt. One can quite understand why it had to be destroyed during the last world war.

I have almost concluded my remarks on our tour, but I should like to take this opportunity to thank the Senate and the Leader of the Government in the Senate for the opportunity to take the trip to NATO bases prior to the meetings in Brussels. Without having had this field trip, the meetings in Brussels would have been almost meaningless to one attending them for the first time.

I now turn to the meeting of the North Atlantic Assembly in Brussels, which took place in the Belgium Senate from October 16 to 21. This being the twentieth anniversary of NATO, two things were going on at virtually the same time. One was a review of what NATO had been able to do over the past 20 years, and the other was a concern about where we go from here.

Let us for a moment review what NATO has been able to do over the past 20 years. To do that, we must look at what happened in Europe prior to NATO coming into being. Most of us have very short memories. We forget, for instance, that the Soviet Union was the only power who fought in the Second World War and came out of it with territorial gains. Sometimes we forget that. Prior to NATO being set up, what happened?

[Hon. Mr. McDonald.]

Back in 1940 there were three areas of Finland that were not just occupied but were taken into the Soviet Union. In addition, Estonia disappeared into the Soviet Union, Latvia disappeared into the Soviet Union, Lithuania disappeared into the Soviet Union. Then in 1945 part of East Prussia disappeared into the Soviet Union; also in 1945, part of Poland, part of Czechoslovakia and part of Romania. As a matter of fact, from 1940 to 1945 some 183,000 square miles of European territory disappeared inside the Soviet Union, involving 24 million people. Following that, from 1945 to 1948 the U.S.S.R. took control of the Soviet zone of Germany, Poland, Czechoslovakia, Romania, Hungary, Bulgaria and Albania—another 394,000 square miles and almost 92 million people.

This all happened during and following the war, until NATO came into being. They have made no further advances in Europe since NATO came into being. Certainly they have caused some problems in areas they had occupied prior to 1948. The most recent case was their march into Czechoslovakia just over a year ago. So there can be no doubt in anyone's mind that NATO has been effective in stopping the spread of the Soviet Union throughout Europe.

Before I go into the details of our meetings in Brussels I would take this opportunity of thanking those people responsible for the briefings we received prior to leaving Canada. When one attends a meeting of this nature, on the first occasion you are placed in a difficult position because of the fact that many people attending have been there for perhaps 10 or 15 years. On many occasions when I have had the opportunity to go abroad the briefings at home were not of sufficient value. That was not the case before departing on our trip to Brussels. The briefings by the External and Defence Departments were excellent, and they were followed up by briefings on arrival in Brussels from the Canadian Ambassador, Ross Campbell and Peter Dobell. Without those briefings, I repeat that our understanding of the problems of the day and our contribution to the Assembly would have been much less.

Coming to the contribution that the Canadian delegations made to the Assembly, I think Mr. Alastair Gillespie, the head of the Canadian delegation, summed it up in his speech as well as anyone could, certainly much better than I could. I hope you will give me your indulgence, because I want to read at con-

siderable length from the main address by Mr. Gillespie, the head of the Canadian delegation—

Hon. Mr. Martin: And a member of the other house.

Hon. Mr. McDonald: That is right, he is a member of the other house.

In his presentation to the Assembly, Mr. Gillespie brought to our attention several matters that I think were the first and foremost concerns of not only Canada, but most of the delegates from virtually every country present at the meetings. Mr. Gillespie said:

> Over the past 20 years a new generation has grown up in the sunlight of a European peace. It has done so alongside the shadows of Russian aggressive intention, and it has done so well knowing the awful alternative. Yet there are signs today that this generation does not embrace NATO the custodian of this peace. In North America this may be partly a matter of distance, partly of other continental preoccupations, partly other world preoccupations. In Europe one wonders whether the young have taken peace for granted and their leaders the status quo for granted. Perhaps the very success of NATO may prove its greatest liability.

He went on to say:

> How do we reach the people and particularly the young? The 40 year olds of today, who were only 16 in 1945, will progressively be assuming positions of leadership and power within their countries. It is their children who will soon move into the universities, children who have been scarred by the agonies of Viet Nam, children who rate morality above the military. What must concern us even more than questions of hardware, of force levels and military capability is the basic question of providing for the ongoing vitality of NATO itself. This is the fundamental question facing us as parliamentarians.

Of course, one of the greatest dangers to the future is whether the coming generations will continue to give their support to organizations such as NATO, which I believe has been responsible for maintaining peace over the past 20 years.

Another challenge referred to by Mr. Gillespie is the threat that comes from the build-up of the Russian navy. I repeat, the Russian navy is not a threat to central Europe, but to many other parts of the world they pose a threat which did not exist until this huge navy came into being.

Next, he pointed out the threat of the withdrawal of forces from NATO by other countries. His warning was not only because Canada had reduced her forces in Europe, but that other countries were talking of doing the same thing. At this point, I would refer to a letter to the editor of one of the London newspapers, written by a Conservative M.P., Mr. Geoffrey Rippon, Q.C., for Hexham. He writes of the speech of the Minister of Defence of Great Britain as follows:

> Mr. Denis Healey's speech at the North Atlantic Assembly meeting in Brussels underlines the need for an urgent reappraisal of NATO policy and strategy.
>
> I do not believe that the United States will abandon its allies or its responsibilities and commitments. But we, and the rest of Europe, have got to be prepared to shoulder a fairer share of the burden.
>
> We are living in a fool's paradise if we think the Americans will forever acquiesce in a situation in which they have as many men in uniform as all the nations of Western Europe combined, although we have a population half again greater than that of the United States.
>
> We have to create in the 1970s a distinct European defence capability—nuclear and conventional—that can and should be an integral part of the defence of the free world, but which gives an independent influence to Europe.
>
> Today nuclear escalation is the only alternative to surrender in Europe in the event of a major Soviet attack. Mr. Healey talks about "flexible response" but this is a meaningless doctrine in present circumstances.

In his letter, he goes on to talk about problems that pertain to Britain alone and are not really our concern, but it does indicate that there is a fear in Europe that unless Europeans make a greater effort to the defence of Europe in the future than they have done in the past, there is every possibility that NATO cannot be the deterrent to war in the future that it has been in the past.

I return to Mr. Gillespie's remarks and quote again from his speech, with respect to Canada's policy. He said:

It—

It—

That is Canada.

—has affirmed its continuing commitment to NATO and Europe in emphatic terms. Do not be fooled that a reduction in our European commitment means withdrawal. This is the talk of the faint hearted and the pessimists. Consider the emerging importance of the Arctic North and ask yourself, "Does it not make sense that Canada should occupy its own frontiers?" Does it not make sense that Canada should devote resources to the surveillance of those enormous stretches of land and sea? Does it not make sense that Canada should help to protect the U.S. deterrent over its own lands? Does it not make sense that Canada should have forces that are equipped, trained and able to support a NATO commitment and a U.N. assignment when called upon to do so?

He then pointed out at the end of his speech the geographical position of Canada. Drawing a line north and south, we lie between the two great powers of the world, the Soviet Union and the United States. If we draw another line from east to west, we see that we lie between China and our cultural heritage in Europe. The fact that we do live in this particular geographical area places us in a different position perhaps than any other country in the world.

In conclusion, with regard to our meetings in Brussels, I am convinced that unless there is some sort of political unity in Europe, the Europe that we know today cannot survive. Yet, how can we have political unity when they have been striving for years to get some kind of economic unity in Europe? Some people seem to resist Britain, as well as other countries of Europe, entering into the economic community. But if they resist economic union, how can they attain political union?

I suggest that without political union the future of Europe is bleak. It is bleak for this reason. The population of western Europe is about one and a half times that of the United States. Although the gross national product of western Europe increased tremendously from 1945 to 1965—as a matter of fact, it doubled—it is now less than half that of the United States.

In my opinion, the ability of a country to defend itself depends more on its ability to produce than on its ability to put soldiers in the field. The disparity between man-hour production on the North American continent and that in Europe is seven to one. That is, the man-hour production on the North American continent is seven times greater than it is in Europe. One of the reasons for this, in my opinion, is that there are so many small, independent countries which are not united militarily, economically or politically.

It seems to me that Europe can accomplish the same things as have been accomplished on the North American Continent, but that can be done only through united effort.

Honourable senators, I wish to conclude my remarks with a few words about the trip to Berlin on October 22 to 25. Before the war, Berlin must have been a great city. I did not have an opportunity of visiting it then, but it is obvious that a city of 4.5 million people, which was the population in 1939, and with the type of people who lived there, had to be a great city. Even today, the part of Berlin that survived the last world war—the buildings, the architecture, the parks and the woods—gives evidence of having been a great city.

It certainly is not a great city today. I do not see how it can be, until some of the political questions are solved. I have a map here, but unfortunately it is too small for honourable senators to see. Anyone who wishes to see it later is welcome to do so. If you take any city in the world and divide it by a wall, leaving about 2.3 million people on one side and 1.1 million on the other side, and if you stop the free flow of people, goods, services and everything else from one side of the city to the other, how can it be a great city?

No one can appreciate what the Wall is like unless he sees it. We were taken for a tour over its whole length. Every few yards we could see either a cross, a plaque or a wreath denoting the death of some east German who tried to escape to freedom and was shot in doing so.

West Berlin has been rebuilt. Some people say it is the western showcase of the world. West Berlin is no different from any other city in West Germany, or in the western world for that matter. The shops are plentiful, the entertainment is as good as one can find anywhere else. But there is a great problem in West Berlin.

On several occasions since the last war, the Russians have attempted to chase the allies out of West Berlin, and they have been unsuccessful. I am not so sure they are going to be unsuccessful forever. Why was the Berlin Wall built in the first place? It was

built to stop people leaving East Germany. There were 60,000 people living in East Germany and employed in West Germany on the day the Wall went up, August 13, 1961. Those 60,000 were unemployed the next day. The fact is that the economy of West Germany was 60,000 workers short. Since the Wall has gone up, access from east to west has virtually stopped as far as East Berliners going west are concerned. The only people who can move across are those 65 years of age and over—East Germany is glad to get rid of them; they go to West Berlin to get a bigger pension. As a result, 24 per cent of the population of West Berlin are over 65, while the average for the whole of West Germany is 7 per cent.

The population of Berlin has dropped by over one million. It is not very pleasant to live on an island surrounded by barbed wire, machine guns, tank traps, vehicle traps and cement. I do not blame West Berliners or East Berliners for wanting to move out to West Germany.

In the six months prior to the Wall being built on August 13, 1961, when they were sealed off, 103,000 East Germans moved into West Berlin. But now virtually no one can move in, unless he is 65 years of age or over.

When a person becomes 65 he is not able to work in industry, or if he does it is only for a short period of time; he is not able to work in government or in services for the people. If the drain of population out of West Berlin continues, by 1980 there will not be sufficient able-bodied people in West Berlin to maintain government services and man the industries.

Honourable senators, the Soviet Union know what they are doing, what they are trying to accomplish by building this wall around that city. It is the takeover of the city. I am disappointed to see our Government withdraw the military mission from Berlin. I believe that our military mission in Berlin, by the very fact that it was there, and the political significance of it, meant a great deal to the survival of West Berlin, and it will be most difficult for the people of West Berlin to survive many years unless some changes are made in the interval.

Honourable senators, I wish to thank again the Leader of the Government in the Senate for the opportunity I had of making the trip to the NATO bases, attending the Conference in Brussels, and going to Berlin. If Canadians are to make their maximum contribution to the discussions in Brussels from time to time, in the North Atlantic Assembly, or wherever the discussions are held, there should be some continuity to the Canadian delegation. I do not say that all of those who went this year should go next year, but there is a hard core who should repeat the trip. When one runs into people like Senator Javits—who has been attending these conferences for many years—one feels rather small and insignificant. I think Canada can make a better contribution if we give this continuity to at least the core of Canada's delegation. I would ask the Leaders on both sides of the house to give consideration to my thoughts in this respect.

Again I thank honourable senators for the opportunity I had to make this trip.

Hon. George S. White: Honourable senators, I should like to say to the honourable Senator McDonald that I have listened with keen interest to his excellent and informative address on his trip to NATO bases in Europe. I congratulate you, honourable senator, on a very fine report. I think it is an answer to those who question the value of spending money and time in sending members of Parliament and senators to visit our forces overseas. I hope the comment that you made at the end of your speech as to the continuity will carry forward.

After listening to your remarks, I for one am more convinced than ever that the policy of the present Government in withdrawing troops from NATO is absolutely wrong.

Hon. M. Grattan O'Leary: Honourable senators, I shall not detain you for more than a moment with the few words I have to say. First, I must agree with Senator White that we have just heard an excellent report. When I listened to Senator McDonald telling his story, I felt that, if I were back in the place I once occupied in the newspaper world, I would certainly want to enlist his services as a reporter.

However, there is one disappointment I always have when members of the Senate return from NATO conferences and make their reports to us. That disappointment is in the fact that to me they always stress one part or one obligation of the NATO alliance, and that is the military alliance.

There is a tremendous lot of confusion in Canada at the present time following the announcement of the Government that our commitments to NATO would be in some way affected. All I can say about that is that I am not sure—and I do not know if anybody else can be sure—that whatever the Government intends to do about NATO is being done in

the right way, at the right time and for the right reasons. But I do believe that there has not been sufficient discussion in Canada about the obligations of NATO that were not military at all. There seems to be a belief that our present defence expenditure, which remains around $1,800 million a year, began with or is in some way due to NATO. That is not true. Actually, in the year 1949-50, the year after we joined the NATO alliance, our total military expenditure was less than $400 million. It was increased only after the war in Korea, and for reasons that were fairly obvious. When the Canadian Government announced to Parliament and the country that it was joining NATO—and most of us agreed with that—it made it clear at that time that whatever contribution we made to NATO in the future as a result of this treaty would be determined in Canada by Canadians, who themselves would determine the measure of need.

But what I have risen to say is that at that time the Canadian Government emphasized again and again that the NATO treaty was more than a military alliance. Canada insisted, and I am sure the Leader of the Government remembers this very well—insisted and emphasized over and over that the treaty should contain a pledge by every member to strengthen its free institutions founded on the principles of democracy, individual liberty and the rule of law. This undertaking was as firm and as serious and as binding as the military undertaking of the treaty.

Every member nation of NATO accepted that undertaking upon which Canada insisted, but, alas and unfortunately, no procedure, so far as I know, was ever devised by the NATO Council to carry out or have members of the alliance carry out that undertaking.

We all agree that something should be done about the defence of Europe. Nobody disagrees with that. It is a matter of degree; it is a matter of existing circumstances. But, if we are going to defend Europe, surely we must try to find out what it is we are defending. Are we defending freedom? Are we defending individual liberty? Are we defending democracy and the rule of law when we undertake as a member of NATO to defend Portugal and Greece?

Honourable senators, I repeat that that obligation, that undertaking, was just as binding and as serious as the military undertaking, and it hardly lies in the mouth of some Europeans to question our position with respect to NATO. It certainly does not lie in the mouth of Mr. Willy Brandt to come here to tell us what we should do about the defence of Europe, and I doubt if it lies in the mouth of the present Secretary General of NATO. I must say I resent these things. What I feel strongly is that our delegations to NATO are badly briefed. I went on one of those delegations myself, and we were badly briefed. In fact, not until we sat opposite our American friends were we able to learn the number of submarines that Soviet Russia had in the Mediterranean. I mentioned this once before in the house. I sat opposite Lord Gladwyn Jebb and Lady Elliott, for the British. I sat opposite Senator Javits and the late Robert Kennedy and Senator Case of New Jersey, for the Americans. These people were briefed to the hilt about NATO, and we went there completely unbriefed. I am not speaking now of the new regime of Mr. Peter Nobel or people like that. This is one of the finest things that has happened, having Mr. Peter Nobel now briefing our delegations, and I pay the same tribute to Ross Campbell, who is an old personal friend of mine.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. O'Leary: If we are going to go to these meetings, then let us go there with information; let us go there able to hold up our own end intellectually; let us not make these appointments—and I say this not offensively—just to give some person who voted the right way or who worked according to the wishes of the Whip the opportunity of having a trip.

We cannot have the same people going to these delegations all the time; that would be wrong. But there must be a hard core of leaders just as the Americans have a hard core and the British have a hard core and, incidentally, the French. The ablest delegation I found at NATO were the French people. These people not only spoke their own language but spoke English so perfectly that Dean Rusk said one night that he hoped to God he would live long enough to learn the English language as well as the French rapporteurs.

Senator McDonald's excellent report on the military situation was fascinating to me, but did the delegation at any time rise to direct attention to the fact that certain members of NATO were not carrying out their binding obligations so far as the military was concerned? I hope some one did. It was not done

when I was there and I have read these reports very, very carefully, and it does not seem to me that these binding obligations in the NATO treaty are sufficiently stressed. I read 25 to 30 newspapers a day; it is my business to do so. I have read the discussions that have been going on since the Prime Minister made the NATO announcement, and the thing that appalls me is the lack of understanding on the part of these writers as to what NATO is all about. The late Mr. Pearson knew what it was about. We have all read of the so-called Three Wise Men. But what is the situation with regard to clause 2? I think it is clause 2 which deals with the economic importance of NATO. Has that been carried out? Or have we heard about the clause since? I am afraid we did not hear enough about it.

It is the military aspect that gets all the attention. I am not saying that the military aspect is not important, although I notice that my good friend did not end up by carrying to its logical conclusion the implication of what he was saying in the first place. He told us at the outset that if nothing was done about Europe, the Russians were going to devour us, but then he went on to say that he thought we were doing the right thing in withdrawing our military commitments. It is not my intention to discuss that or to criticize it at this time, but I would hope that when NATO comes up for discussion in this house that more members would give attention to NATO as a whole and not merely to the military organization.

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

DISTINGUISHED VISITOR IN GALLERY

PREMIER OF NEW BRUNSWICK

Hon. Paul Martin: Honourable senators, may I intervene to call your attention to the presence in the gallery of the Honourable Louis J. Robichaud, Premier of New Brunswick.

[*Translation*]

It is a great pleasure and a great honour for us to see him here today.

[*English*]

PARLIAMENT BUILDINGS

NEW WINDOWS IN CENTRE BLOCK—FURTHER ANSWER TO QUESTION

On the Orders of the Day:

Hon. Paul Martin: Honourable senators, Senator Molson was promised a complete answer to his questions relating to the new windows in the Centre Block. He asked first, "What firms tendered for the job of replacing most of the very large number of windows in the Centre Block of the Parliament Buildings?" The answer is: Raymond Manufacturing Co. Ltd., C. M. Windows and Stained Glass Ltd., Ron Engineering and Construction Ltd., and A. Lanctot Construction Co. Ltd.

His second question was: "Which was the successful tenderer, and what was the total cost of carrying out the work?" The answer to that question has already been given by Senator McDonald. I shall complete it by simply saying that it was completed by Raymond Manufacturing Co. Ltd. at a cost of $80,500.

No. 3. "Is the task now finished?" The answer to that question is: No; it is 95 per cent completed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Nelson Rattenbury: Honourable senators, it is a pleasure to join with those who have already spoken in this debate in offering warm congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne, Senator Desruisseaux and Senator Everett. Both acquitted themselves in admirable fashion.

Let me offer also my respect and all good wishes to the Honourable the Speaker, the Leader of the Government, and the Leader of the Opposition, as they undertake their respective and onerous duties in this new session of Parliament.

My best wishes for health and happiness are extended to each and every honourable senator as we settle down to the heavy schedule of important work that was previewed for us in the Throne Speech.

In the Throne Speech debate, several honourable senators have referred with eloquence and deep feeling to world problems, to wars and threats of war, to human deprivation, starvation, illness and other causes of international concern. They have suggested

ways and means through which the social conscience of Canadians may participate in bringing solutions to these dreadful human problems throughout our global village.

I subscribe fully to all of those proposals and my words could add but little to them. Sufficient to say that since our organization as a nation, Canadians have, in the context of any particular era in human relations, in both war and peace, discharged their responsibilities with honour. There is no doubt in my mind that we shall continue to do so even in this ever-shrinking world, where advanced communications and transportation make the Vietnamese, the Israeli, the Arab and the African, our next-door neighbors.

In strictly North American terms, the problems being experienced within our own nation appear great and pressing—poverty, pollution, regional economic disparity, urban blight, housing shortages, inequitable taxation, civil unrest, grain surpluses and low farm incomes, to mention a few.

Without question, we do have these and other complex problems. Yet, in order that we keep them in perspective and not lose heart in seeking solutions, we should always remember that nearly every nation on earth would gladly accept all of our problems, if, at the same time, they could acquire our great natural wealth, our advanced social and economic structure and our truly exceptional living standards.

Honourable senators, it is from this latter viewpoint that I would like to discuss two of the problem areas raised in the Throne Speech, namely, regional economic development and escalation in pollution of our natural environment.

We Canadians are often accused of following the lead of the United States. That great nation has gone a long way in fouling its own water, air and land, and in contributing to the joint pollution of the Great Lakes system. We have followed their lead in this regard, but not yet to the irretrievable degree that they already have reached in some areas. Although corrective and preventive measures will be costly, we still have a choice that is within our capability.

These are fields of activity in which Canada can provide leadership, not only in the Americas but in the world.

I believe that we are particularly well equipped to give enlightened leadership in developing the machinery, processes and know-how in combatting pollution and promoting conservation. We have both the human and the natural resources, in abundance, to direct into this exciting and challenging experiment. We have the technology and the capability for its rapid expansion to find new and economic solutions to these old and largely unattended problems. And we have the financial resources to undertake the job on a massive scale.

It is a job that will require an increasing level of public education and support. Public awareness of the dangers of water pollution was brought into homes across this nation only last week in the excellent television documentary "The Dying Waters," narrated by Stanley Burke. It showed with shocking clarity how promiscuous we have been in the destruction of our inland rivers, lakes and streams.

More programming of this calibre will soon bring a high level of public awareness and support for corrective measures. There will also have to be an immense amount of co-operation between the municipal, provincial and federal levels of government, if only because of mixed jurisdictions. Above all else, industry must be made to co-operate, even though it may mean both slightly lower levels of profit and slightly higher product costs to the consumer.

Our Canadian forest resource is one of the greatest on earth. It has made our nation the world leader in the pulp and paper industry. Exports of forest products constitute one of the largest plus factors in our delicate balance of payments situation.

However, the pulp and paper industry is also the greatest polluter of water on the North American continent. That pronouncement was made only last month by the Ontario Water Resources Commission. This industry uses and pollutes vast quantities of water daily—water that is often provided through systems requiring large initial capital outlays of public moneys, the supply of which is continued at subsidized user rates.

The effluence of such mills is all too often released in its raw state into our rivers. Its content of wood fibre and chemicals is one of the worst possible pollutants, robbing water of its oxygen content and making it unlivable for fish and other aquatic life.

On one river alone in New Brunswick, the mighty Saint John, the pulp and paper industry has four major mills, and these provide a good example of the magnitude of the problem and the various approaches to its solution.

One long-established mill is in the upper reaches of the river at Edmundston. Its daily discharge of waste into the river is equivalent to the domestic wastes of a population of two million. After many years of effort, the industry and government have developed a program to overcome this pollution, the cost of which will be several million dollars.

Midway down the main stem of the river, at Nackawic, a new pulpmill is nearing the production stage. At the insistence of government and with industry co-operation, pollution controls of the most effective type known today have been incorporated at the initial construction stage at huge capital cost. This, of course, is the ideal and least costly approach to such control.

At the mouth and estuary of the river there are two mills. One, built only a few years ago, incorporated pollution controls at the time of construction, again at government insistence and at great cost. This mill has announced a program to double its production capacity, and it will doubtless improve its control measures in the process.

The other mill at Saint John has minimal pollution control and daily discharges approximately 27 million gallons of waste directly into the river. The cost of correcting this volume of pollution, which reportedly constitutes about 60 per cent of the total of all industrial, commercial and domestic sewage and waste disposal in the greater Saint John district, will be high. I have heard of no published plans to correct or alleviate this source of pollution.

There are, of course, other major sources of pollution along this great watershed, many of which are rapidly being abated or eliminated.

I refer in some detail to the forest industries simply because they have been the greatest single cause of pollution in my province. It should be noted, too, that this industry often despoils streams and rivers in getting its wood supply to the mills.

Many honourable senators are familiar with the unique names of the famous salmon angling rivers of New Brunswick: the Miramichi, the Restigouche, the Kedgwick, the Savogle, the Upsalquitch, the Tobique, the Nepisiguit, the Nashwaak—all names of Indian origin—the Saint John and many others.

Hon. Mr. Martin: The Premier of New Brunswick must feel very proud as he listens to the recital of the names of these great rivers in the Province of New Brunswick.

Hon. Mr. Flynn: I do not know if he is as proud when he hears about the problem of pollution in New Brunswick.

Hon. Mr. Rattenbury: In some of those rivers the Atlantic salmon was brought almost to the point of extinction by the cutting and stream-driving practices of the forest industries, together with their dumping of millions of gallons of raw waste daily from their mill operations. Trees were cut to the shore line; bulldozers turned the river courses into veritable sluiceways which dangerously hastened normal run-offs; river bottoms were covered, in many sections to a depth of several feet, with rotting, fetid bark.

This latter situation of rotting bark to a depth of tens of feet, mixed with years of chemical waste, has totally destroyed the salmon run on the once famous St. Croix River at the border between New Brunswick and the State of Maine. During the heat of the summer the stench is sickening, and the chemicals entering the air from this effluence are sufficiently strong to discolour permanently newly painted homes in the area. This has actually happened. In recent years, more strict regulations and their enforcement by the provincial government have overcome many of the bad practices to which I have referred. But the clean-up costs are high.

The technological advance of chipping wood for transporting by rail, road and sea has displaced stream-driving to such an extent that I believe only one large operator in the province will still have a log drive next year.

These are instances wherein co-operation between industry and government, with strong public support, are bringing good results. But so much more needs to be done, particularly in the treatment of millwaste, to remove the mixture of wood fibre and chemicals from the water before it is discharged back into the river.

I contend it is not necessary to detail the need for action in overcoming the stench from pulpmills which causes air pollution. When the wind is right, here on Parliament Hill we can all feel sympathy for those

households and families established in the near vicinity of such a mill. It is no longer acceptable in today's society that industry should shrug this off as the smell of money and jobs.

Honourable senators, I hope no one will gain the impression that I am against the pulp and paper industry. Quite the contrary. The forest industry is one of the principal elements of the New Brunswick economy. We have nine pulp and paper mills, with a tenth about to be constructed. We are more than pleased with the good jobs and economic stability provided by the industry; but we also believe that these can be enjoyed together with pure water and air and the intelligent practice of silviculture to renew the forests following the cutting that has taken place all through our history as a province.

Before leaving the subject of pollution as associated with the pulp and paper industry, I would like to draw attention to the problem brought about by the infestation of our balsam forests in New Brunswick by the spruce bud worm which first assumed major proportions about 1950. However, it was not until 1952 that corrective measures, on what might be termed a co-operative basis, were commenced.

Our forests in New Brunswick cover some 80 per cent of the total land area, and are 50 per cent Crown-owned and 50 per cent freehold. Consequently the provincial and federal governments entered into an agreement with the major companies engaged in the forest industries whereby each would pay one-third of the costs of an aerial spraying program to save the forests and prevent the economic chaos which would have resulted had the infestation continued unchecked. It is ironic that the pesticide DDT was used for the first several years of this program, and that the great dangers involved in its use were not then known, as they are today. In fact, biologists are now discovering that wildlife such as polar bears, seals and penguins have become contaminated as the result of the continued use of DDT, thousands of miles away from its application. In common with all who have become alarmed by this critical situation, I am most relieved to learn that the federal Government is taking positive steps toward banning its use.

And the side effects are still being calculated. DDT has killed millions of small trout and salmon, as well as birds. Honourable senators should appreciate that our province is filled with water courses. The DDT has been washed down to the sea, and has been found in measureable amounts in lobster and other sea life.

I mention this simply to underline the absolute necessity for proving in advance all of the qualities of chemicals, both good and bad, prior to their approval for indiscriminate use or general distribution.

In this one case alone of the wide use of DDT throughout Canada, it will be years before scientists can fully assess the damage that may already have been done. We should all take warning from the fact that for the period ended September 30, 1968, sales of pest control products in Canada had risen to $65 million, up ten per cent from the $59 million of 1967. At the same time, we should all take encouragement from the growing awareness by the general public, industry and government at all levels, of the urgent need for intelligent and well-planned programs to overcome all serious sources of pollution of our natural environment.

Honourable senators, the second subject that I would like to discuss briefly is regional economic development. Sincere but unco-ordinated efforts to correct regional disparities have been made by previous administrations. For the most part, those programs have enabled the Atlantic Provinces only to prevent the gap between regional personal incomes and economic activity, relative to the national level, from growing wider.

Formation of the new Department of Regional Economic Expansion, thus creating an umbrella under which all existing federal legislation in this field is being co-ordinated, and the provision of new legislative tools at the last session, have been necessary and constructive steps in the attack upon regional disparity. Add to that the dedication of the minister, the Honourable Jean Marchand, and the prospects for success become even more encouraging.

We are all aware of the now extensive nature of direct incentives to industry that will locate in the designated growth areas, so there is no need to detail them at this time.

I would refer, however, to the broader provisions of the act that give very considerable scope to the minister and the department in providing the essential elements of infrastructure, such as may be beyond the financial

capability of provincial and municipal governments. These include the schools, hospitals, water and sewage systems, up-to-date transportation and other necessities, without which it is almost impossible to entice modern management and industry to locate in a given area.

In my own province the cities of Saint John and Moncton are obvious growth centres, where the indicated level of federal assistance to the province and municipalities, in providing the essential elements of infrastructure, will bring a much higher level of industrial and economic activity.

One of the greatest and most basic needs in this sector is modern, rapid, and efficient transportation—by road, by rail, by water, and by air. Innovation—new concepts in the handling of freight and cargo—are now the order of the day. Express highways, such as the proposed Corridor Road from New Brunswick through Maine to Quebec, unit trains as land bridges, jumbo cargo jets, containerization, cellular ships and modern port cargo facilities—all of these and more must be part of the new transportation picture on our eastern seaboard.

The governments of the four Atlantic Provinces have already conducted studies and have made a joint submission to the federal Government, expressing the urgent need for major trunk highway development. Decisions are anxiously awaited.

Only last month it was announced that a containerization terminal will be constructed at Saint John, keeping this vital and historic Canadian port in the competitive forefront for deep-sea shipping. This development has resulted from months of hard work and negotiation between federal and provincial governments and their agencies, such as the National Harbours Board, and, of course, the private sector.

A consortium of three international shipping lines have reached agreement to use this new terminal, which will be operated by the C.P.R. and McLean-Kennedy Limited. Four container vessels are now under construction in West Germany, at a cost of $80 million, for use by this consortium.

This new vigour of the Saint John area is also clearly evident in the construction of nearby Irving Canaport, a multi-million dollar deep water oil terminal, capable of handling the largest of the huge oil supertankers. I am told that this port when completed will be the only one of its kind on the whole North American continent. The Irving oil refinery is about to be doubled in capacity. These two major developments will put Saint John on the map as one of our nation's major oil refining areas.

In addition, the provincial government has undertaken active studies and planning directed toward construction of a huge, deep water superport, capable of handling the largest vessels afloat or on the drawing boards for the foreseeable future. The proposed location is Lorneville, a short distance from the City of Saint John, which appears to be admirably suited for such development.

Honourable senators, these and other developments are most encouraging. They have come only through excellent co-operation by all levels of government and the private sector as well as by organized labour. But all of this must be fitted into a totally co-ordinated transportation policy which will bring equally rapid development of highway, rail, and airport facilities. We look to both the Department of Transport and the Department of Regional Economic Expansion for continued and accelerated co-operation in bringing this to reality.

Coupled with the quite remarkable industrial expansion already under way in New Brunswick, we look forward to the realization of a long held dream—to become, as a province, a net contributor of scale to the expanding economy of this great nation.

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

ADJOURNMENT

Hon. Paul Martin: Honourable senators, we have had three excellent speeches today. I am sure that others who were on the list to speak would have liked to have gone on today, but it seems desirable that we should now adjourn. I see no alternative to not sitting next week. Next Tuesday is Armistice Day. A number of the western senators who are here all the time are anxious to go to western Canada to take part in Armistice Day proceedings, as are some from other parts of Canada. That being the case, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, November 18, 1969, at 3 o'clock in the afternoon.

Honourable senators will recall that earlier in the day we passed a motion that would enable the Speaker, notwithstanding a motion to adjourn for a particular period, to call senators back without going through the formalities which would otherwise be necessary. I do not want to say more about that at this time, but I should point out that the motion was made today for a particular reason.

Motion agreed to.

The Senate adjourned until Tuesday, November 18, 1969, at 3 p.m.

THE SENATE

Tuesday, November 18, 1969

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a Statement concerning the federal Government's policy with respect to Volume II of the Royal Commission on Bilingualism and Biculturalism.

Copies of White Paper entitled "Proposals for Tax Reform", prepared by the Minister of Finance.

Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1969, pursuant to section 95(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955.

Report of the Superintendent of Insurance for Canada on Loan and Trust Companies for the year ended December 31, 1968, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952.

Statement showing Classification of Loans in Canadian Currency of the Chartered Banks of Canada as at September 30, 1969, pursuant to section 119(1) of the Bank Act, chapter 87, Statutes of Canada, 1966-67.

Report on the Administration of the Industrial Research and Development Incentives Act for the fiscal year ended March 31, 1969, pursuant to section 17 of the said Act, chapter 82, Statutes of Canada, 1966-67.

Copies of a communique, dated October 31, 1969, issued following the meeting of the Consultative Committee of the Colombo Plan held in Victoria, B.C.

Report of the Company of Young Canadians for the fiscal year ended March 31, 1969, pursuant to section 25 of the Company of Young Canadians Act, chapter 36, Statutes of Canada, 1966-67.

Report of the Proceedings of the Canadian Agriculture Congress, held at Ottawa March 24 to 27, 1969.

Report of the Canadian Dairy Commission for the fiscal year ended March 31, 1969, including its Accounts and Financial Statements certified by the Auditor General, pursuant to section 22 of the Canadian Dairy Commission Act, chapter 34, Statutes of Canada, 1966-67.

PRIVATE BILLS

PITTS INSURANCE COMPANY—FIRST READING

Hon. Daniel A. Lang presented Bill S-10, to incorporate Pitts Insurance Company.

Bill read first time.

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

Motion agreed to.

PITTS LIFE INSURANCE COMPANY—FIRST READING

Hon. Daniel A. Lang presented Bill S-11, to incorporate Pitts Life Insurance Company.

Bill read first time.

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

Motion agreed to.

QUARANTINE BILL

FIRST READING

Hon. Paul Martin presented Bill S-12, to prevent the introduction into Canada of infectious and contagious diseases.

Bill read first time.

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

Motion agreed to.

STANDING COMMITTEE ON FOREIGN AFFAIRS

CHANGE IN MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

That the name of the honourable Senator Connolly (Ottawa West) be substituted for that of the honourable Senator Davey on the list of senators serving on the Standing Senate Committee on Foreign Affairs.

Motion agreed to.

INTERNAL ECONOMY

Hon. Paul Martin moved, with leave of the Senate:

> That the Standing Committee on Internal Economy and Contingent Accounts be empowered, without special reference by the Senate, to consider any matter affecting the internal economy of the Senate, and that it report the result of such consideration to the Senate.

Motion agreed to.

EXTERNAL AFFAIRS

INFORMATION SERVICES—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, on November 5 last, honourable Senator Grosart put to me two questions. The first was:

> What is the nature and extent of the reductions in the information program of the Department of External Affairs announced by the minister on Monday last, and how will this be related to the department's claim recorded on page 33 of the report of the Task Force on Government Information published yesterday that it has been "...denied the necessary funds for an adequate structure to service its programs"?

The suggested reply is as follows.

As the Secretary of State for External Affairs announced on November 3, his department is reducing a number of activities, including information programs, that these actions were dictated by the need for economy and had been taken with the utmost regret. There will be, in the short term, a substantial reduction of programs to convey information about Canada to the people of other countries. This should, however, not be taken as a sign that the Government has changed its mind about the value of these programs or that it will not restore and reinforce them when the need for such drastic economy slackens.

As a second question, Senator Grosart asked:

> How is it anticipated that the reductions announced will remedy the alarming situation described in the report as "a pathetic shambles...", that "every attempt to set up lasting co-ordination of our information programs abroad has miserably flopped..." and that the entire department is "infected with anti-information sentiment"?

[Hon. Mr. McDonald.]

The answer is that the much regretted economies to be put into effect by the department will not, of course, correct the information program inadequacies which the department has long recognized. But departmental plans for larger and more effective programs will have to be deferred until the financial situation is brighter.

It will be recalled that when the questions were put and I asked that they be taken as notice to allow time to prepare the necessary responses, I indicated that while I would provide responses I would do so without in any way admitting some implications involved in the questions.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Paul Yuzyk: Honourable senators, the high calibre of the addresses of the mover and the seconder in reply to the Speech from the Throne which opened the second session of the 28th Parliament of Canada is a standing credit to the Senate. For their excellent performance, I am happy to congratulate our colleagues, Senator Paul Desruisseaux of Quebec and Senator Douglas Everett of Manitoba. It is in order also to congratulate all the senators who have so far taken part in this interesting debate. Every speech has been a contribution to a better understanding of the great problems that face the Government, the legislators and the citizens of our great country, and will no doubt help to provide better solutions.

Honourable senators, I should like to speak today in reference to the following statement in the Speech from the Throne:

> We will continue to be an active member of the United Nations. After a quarter of a century of radical changes in its functions and membership, the UN needs to be revitalised and strengthened. Canada is presenting its proposals for reform to the present session of the General Assembly.

On October 23 last several distinguished members of this chamber—namely, Senator

Paul Martin, the Government Leader; Senator Jacques Flynn, the Leader of the Opposition; Senator Grattan O'Leary and Senator Arthur Roebuck—made appropriate remarks on the occasion of the 24th anniversary of the United Nations Organization.

In view of the fact that on November 7 the Soviet Union and communists in various parts of the world celebrated the 52nd anniversary of the Russian Communist October Revolution, and the fact that the Canadian Government is interested in making the United Nations a more effective instrument in carrying out the principles of the charter, I have chosen to deal with the policy of the Soviet Union in this world organization. Because of my academic background in the history of Central and Eastern Europe, I think that I shall be able to throw some light on this topic, which should help to give us a better understanding of what kind of relations Canada should have with this super-power, particularly in the United Nations. My speech will be a kind of sequel to Senator McDonald's excellent report on NATO on November 6. I sincerely congratulate him for his open-mindedness, frankness and logic.

Every country has its own view of the proper function of the United Nations and every country attempts to use the UN for its own purposes. In general, the prosperous countries of the West regard the organization in political terms; their view is that its function is to maintain peace, punish the aggressor and prepare the ground for world government; they pay little attention to the extensive welfare and technical programs. The United States tries to use the United Nations to contain communism and counteract left-wing revolutions. The Europeans see in it a useful forum to discuss grievances and a convenient centre for diplomatic contacts and negotiations with many nations. The Soviet Russians look upon it, at least on the surface, as a necessary evil in which they must paralyze the plots of the "Imperialists". The newly developing countries which were former colonial states fervently support this world organization, using it as an instrument to voice their anxieties, so as to secure more economic, technical and educational assistance from the wealthy states. All are worried about preventing a third world war which, with the modern super weapons, could destroy mankind.

Broadly speaking, the member states of the UN are divided into two camps, the capitalist and the communist, but there are also regional groupings.

The "Fifty Years of Communism" that was celebrated in the Soviet Union in 1967 was certainly not the communism envisaged by Karl Marx and Friedrich Engels, the founders of the theory. According to the concept of these ideologists, communism meant a state of affairs in which nation states would "wither away", the capitalist system would be destroyed and the conflict of classes would vanish. In this society people would rid themselves of the "opium of religion" and would become educated so as to develop their full potential and organize their life on the basis of "from each according to his ability, to each according to his needs." This, of course, has not been achieved.

The "Fifty Years of Communism" is in reality the fifty years of the rule of the Communist Party in the U.S.S.R. and other parts of the world. The Communist Party was the creation of Lenin, whose ideas very often differed from those of Marx and Engels. Lenin established Bolshevism, which by means of a well-disciplined organization of professional revolutionaries destroyed Tsarist autocracy and the "Bourgeois" provisional government and set up what was called the "dictatorship of the proletariat"—the present Soviet system. This "dictatorship of the proletariat" was to be a transitional stage in the evolution to communism.

Many communist leaders outside Russia, although in sympathy with the Russian October Revolution, did not endorse Lenin's highly centralized dictatorship of revolutionaries and the suppression of freedom. Rosa Luxemburg, a revolutionary in Poland and one of the founders of the German Communist Party, is proving prophetic in her criticism of Lenin's Bolshevism in the following manner:

> Freedom restricted to the supporters of a government, freedom only for the members of one party, however numerous, is no sort of freedom. Freedom is always and only the freedom of those who think diflerently... Witout the right of free speech, the life of public institutions will wither away, become a shadow and a masquerade and only bureaucracy will remain as the active component. Public life will gradually become anaesthetised while a few dozen leaders with unquenchable energy and boundless idealism direct, a dozen of the best brains rule and a working class elite is assembled in official meetings from time to time to applaud the speeches of the leaders, to vote unanimously for resolutions

> put before them—in fact an oligarchy...Under such conditions public life will take on a new savagery and will lead to political assassinations, the shooting of hostages, and so on.

With her passionate belief in democracy, freedom and the dignity of human life in the new society, Rosa Luxemburg did not live long enough to influence the communist movement, for she was murdered less than three weeks after the German Communist Party had been established in December, 1918. Her assessment of Bolshevik methods of fifty years ago describes quite accurately the situation in the Soviet Union today.

Although Lenin adhered to dictatorial control of his Bolshevik Party, he did not hesitate to issue promises of "land, bread and peace" as well as freedom, which, as subsequent events proved, were not intended to be kept, but were merely a means of obtaining power. Take, for example, one of the first decrees of the Soviet of People's Commissars dated November 15, 1917, concerning the subjugated peoples of the Tsarist Russian empire:

> 1. All peoples of Russia are equal and sovereign;
>
> 2. The peoples of Russia have the right of self-determination including the right of secession from Russia and of the establishment of independent national states of their own;
>
> 3. All national and religious-national privileges and restrictions shall be abolished;
>
> 4. The national minorities and ethnic groups in Russian territory shall be given every opportunity to develop freely.

When the Bolsheviks were in power under the leadership of Lenin, the various subjugated peoples asserted their "right of self-determination, including the right of secession from Russia and the establishment of independent national states of their own." One after the other, the non-Russian peoples proclaimed their independent states, sixteen in number, in the following order: Idel Ural (Tatar)—November 12, 1917; Finland—December 6, 1917; Ukraine—January 22, 1918; Kuban Cossacks—February 16; Lithuania—February 16; Esthonia—February 24; Byelo-Russia—March 25; Don Cossacks—May 5; North Caucasus—May 11; Georgia—May 26; Azerbaijan—May 29; Armenia—May 30; Poland—November 11; Latvia—November 18—all in 1918; Far eastern Democratic Republic (Siberia)—April 4, 1920; Turkestan—April 15, 1922. This was a democratic anti-imperio-colonial manifestation. Gradually, the Russian Communist regime subverted and conquered by force all those independent states, and these nations are again part of the Russian empire under totalitarian rule, not much different from the autocratic Tsarist regime.

[Hon. Mr. Yuzyk.]

Not only did the Russian communist government make a general declaration of self-determination, but we also have its formal acknowledgment of this right with respect to Ukraine, dated December 17, 1917:

> We, the Soviet of People's Commissars, recognize the Ukrainian National Republic and its right to separate from Russia or to make an agreement with the Russian Repubic for federative or other similar mutual relations between them. Everything that touches national rights and the national independence of the Ukrainian people, we, the Soviet of People's Commissars, accept clearly without limitations and unreservedly.

This declaration proved to be deceitful and perfidious, for at the time of its announcement the Russian Communist Government immediately had a Ukrainian Soviet Republic established in Kharkov, another city in Ukraine, in direct opposition to the democratic Ukrainian National Republic. This Ukrainian Soviet Republic claimed to possess the sovereignty of an independent state, but when it became a member of the Union of Soviet Socialist Republics in 1922, it lost its sovereignty, including the rights of amending its own constitution, maintaining its own armed forces, conducting its own foreign policy, directing its own financial affairs, et cetera. Ukraine, as a consequence, became a mere province under the rigid control of the centralized Russian Communist Government in Moscow, similar in many ways to her position under the former Russian Tsarist regime.

To gain Ukrainian support for the final phase of World War II effort, to save his own face and have more votes in the newly-established United Nations, Stalin had the Soviet Constitution amended, restoring to the Ukraine and Byelorussia their own ministries of defence and external relations, but he did not allow the establishment of their embassies in foreign countries. These were the only two so-called "republics" of the U.S.S.R. which were given these rights and became founding members of the United Nations. None of the other members of the United Nations have

given recognition to Ukraine and Byelorussia, knowing that these two countries have no sovereignty. The Soviet Government does not encourage such a step, undoubtedly fearful of the fact that official diplomatic relations between these two component "republics" and the sovereign states of the world could stimulate the movement towards independence. This was obvious at Expo '67 in Montreal. Moscow refused a separate pavilion and exhibition for both Ukraine and Byelorussia, as this would have made necessary a state visit of these countries to Canada, implying the recognition of the sovereignty of the Ukraine and Byelorussia.

Communism, Lenin's brand, does not tolerate freedom and democracy. This becomes abundantly evident just from a mere reading of *The Theses and Statutes of The Communist International*, approved at the Second Congress of the Communist International (Comintern), which was held in Moscow in 1920 and has always been binding upon all communist parties throughout the world. The object of the Comintern is stated in the following sentence:

> In order to overthrow the international bourgeoisie and to create an international Soviet Republic as a transition stage to the complete abolition of the state, the Communist International will use all means at its disposal, including force of arms.

To achieve this purpose all means were to serve the end, applying the Machiavellian principle that the end justified the means. This is how it was stated in *The Theses*:

> It is especially necessary to carry on illegal work in the army, navy and police—on the other hand it is also necessary in all cases without exception not to limit oneself to illegal work, but to carry on also legal work overcoming all difficulties, founding a legal press and legal organizations under the most diverse circumstances, and, in case of need, frequently changing names.

Anyone who has followed the work of the communist parties in the various countries outside the U.S.S.R., including Canada, will recognize that these instructions have been adhered to, to the letter.

The communist view of parliaments in capitalist countries was stated thus:

> Communism repudiates parliamentarism as the form of the future . . . its aim is to destroy parliamentarism. Therefore it is only possible to speak of utilizing the bourgeois State organizations with the object of destroying them . . . The Communist Party enters such institutions not for the purpose of organization work, but in order to direct the masses to blow up the whole bourgeois machinery and the parliament itself from within.

Stating that the work of each communist member in the bourgeois countries "consists chiefly in making revolutionary propaganda from the parliamentary platform," *The Theses* of the Comintern specifies only one loyalty. According to instructions:

> The communist member is answerable not to the wide mass of his constituents, but to his own Communist Party—whether legal or illegal.

The Bolshevik leaders of the Soviet Union have made plans to conquer the whole world, some of which have already been implemented but some of which have also backfired. Many leaders of communist parties in bourgeois countries have undergone training to achieve this purpose. I have here a statement of Dmitri Manuilsky, Minister of External Affairs, who taught at the Lenin School of Political Warfare in Moscow in 1931, where several Canadian communists also took courses. This is what he stated:

> War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 to 30 years. To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep; so we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concessions. The capitalist countries, stupid and decadent, will rejoice to co-operate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist.

It therefore comes as no surprise that after World War II this "spectacular peace movement" came in the form of "peaceful co-existence" and every outward appearance was made to display co-operation. That this was merely a tactic to achieve ultimate victory is evident from the speech of Prime Minister Khrushchev to German communist leaders in 1955 in which he said:

> People say our smiles are not honest. That is not true. Our smile is real, not

> artificial. But if anyone believes that our smile means that we have given up the teachings of Marx, Engels and Lenin, they are badly mistaken...
>
> One cannot stop the course of history.

If the masks are stripped off the face of "Soviet Communism" and the propaganda balloons are pierced, it reveals the naked face of Russian imperialism, propped up by brute force as under the Tsarist Regime. The Red Army reconquered all the non-Russian peoples who had broken away from the Tsarist Russian Empire and formed their own independent states after the First World War. The second wave of Russian imperialism and colonialism commencing at the beginning of the Second World War absorbed the Baltic nations which were overrun by the Red Army. The third wave, since the Second World War, established Soviet satellite regimes in central and southern Europe, Asia and Cuba and intensive subversive activities in the Middle East, Africa, Latin America and Asia. The "peaceful co-existence" did not hold back the Russian communist regime from instigating aggression in Korea, Vietnam and elsewhere.

In his book *The Origin of Russian Communism*, Nicholas Berdyaev, the great contemporary Russian philosopher in exile, explains the real drive behind communism.

> Russian communism is difficult to comprehend because of its two physiognomies. In some aspects it is an international and universal phenomenon; from other points of view it is Russian and national. It is particularly important for western minds to understand the natural roots of Russian communism and the fact that it was Russian history which determined the limits and shaped its character. A knowledge of Marxism will not suffice to find the cue to it.

In another place Berdyaev stated that in bolshevism "the Russification and Orientalization of Marxism has been achieved."

Russian émigré leaders, even though they oppose communism, have been constantly upholding the Russian empire and adhering to the "one and indivisible Russia" of the Tsarist regime. This explains why Alexander Kerensky, the leader of the Russian provisional government in 1917, who was outsted by Lenin's Bolshevik Party, later in 1943, when Hitler's Nazis threatened to dismember the Soviet Union, came to its defence with the following statement:

> Russia, a geographical backbone of history, should exist in all her strength and power, no matter who or how he is ruling her. (In this case it was Stalin, the greatest tyrant in Russian history—P.Y.) From this comes Miliukov's testament to us: to be on watchful guard of Russia—no matter what her name is—absolutely, unconditionally and to the last breath.

Deceit, as has already been noted, is a basic tactic of Soviet policy in the subversion of the free world. During the celebration of the 50th anniversary of the communist Soviet Revolution, and the "glorious" achievements of the Soviet regime, Alexei Kosygin, the Soviet Prime Minister, boastfully proclaimed, as reported in *Pravda*, June 20, 1967, that:

> In the fifty years of her existence the Soviet Union has respected all other nations, great as well as small. Every nation is entitled to establish an independent national state of its own. This is one of the basic principles of Soviet policy. Supporting the right of self-determination of nations, the Soviet Union condemns and resolutely opposes the attempts of any power to conduct an aggressive policy and to work for the annexation of foreign countries...No country in the world could claim to have solved the nationality problem as successfully as the Soviet Union...No nationality in our country is discriminated against.

Consider the sincerity of the resolution introduced in the United Nations in December 1965 by Andrei Gromyko, the Soviet Foreign Minister, who recently visited Canada:

> No state has the right to intervene directly or indirectly, for any reason whatever, in the internal and external affairs of any other state. Consequently armed intervention and all forms of interference of the state or against its political, economic and cultural elements are condemned.

These declarations of Gromyko and Kosygin are obviously false, for it did not deter the Soviet Government from sending the Red Army, together with the forces of its satellite states, to invade and occupy its socialist satellite Czechoslovakia in August 1968, just as it had done during the uprisings in Hungary in 1956. The Soviet Russian Empire was established by force and will evidently be maintained by force under a totalitarian system

[Hon. Mr. Yuzyk.]

which cannot allow "liberalization", democracy and freedom to make headway within its jurisdiction.

We have already noted that the ultimate goal of Soviet communism, as was spelled out in the Comintern *Theses* of 1920, was world conquest, which would employ all means at its disposal, including deceit and force of arms. Subsequently, dictator Joseph Stalin, in his book, *Marxism and the National Question,* outlined the methods of achieving this objective as follows:

1. Confuse, disorganize and destroy the forces of capitalism around the world.

2. Bring all nations together into a single world system of economy.

3. Force the advanced countries to pour prolonged financial aid into the underdeveloped countries.

4. Divide the world into regional groups as a transitional stage to total world government. Populations will more readily abandon their national loyalties to a vague regional loyalty than they will for a world authority. Later, the regionals can be brought all the way into a single world dictatorship of the proletariat.

The Comintern congresses of 1928 and 1936 formally adopted these intermediate goals of communism in their programs. When the U.S.S.R. entered the League of Nations in 1934 it began to carry out this broad program.

After achieving victory over Nazi Germany in the Second World War, which would not have been possible without the close collaboration and extensive aid of the Allies—the United States, Great Britain and others—the Soviet leaders expressed no gratitude to the Allies, but immediately laid plans to continue their efforts to dominate the world. On the eve of the inception of the UN, the communist pamphlet entitled *The United Nations,* published in 1945 in Bombay, India, advocated full support for this world organization, giving the four primary reasons as:

1. The veto will protect the U.S.S.R. from the rest of the world.

2. The UN will frustrate an effective foreign policy of the major capitalist countries.

3. The UN will be an extremely helpful instrument in breaking up the colonial territories of the non-communist countries.

4. The UN will eventually bring about the amalgamation of all nations into a single Soviet system.

This is precisely the blueprint that was initially drawn up by Lenin, elaborated by Stalin and refined by Khrushchev for achieving world government and communist control of the world by exploiting the United Nations.

The use of such innocent-like tactics in the overall strategy of attaining a concealed goal is perhaps best illustrated by the story of the young married man working in a baby-carriage factory in Germany at the beginning of Hitler's regime. In his speech to the Senate of the United States on February 23, 1954, Senator William Jenner related how this young man had saved his money to buy one of the baby-carriages which he was helping to build, as his wife was expecting their first child. When the factory refused to sell him the product, he began to collect the various parts secretly. When he obtained all the parts, he and his wife painstakingly put them together. What a shock they received, when instead of a baby-carriage, they beheld a machine gun! It is obvious that the blueprint of the final product had been planned years ahead. Many unsuspecting people helped to produce the product which could even be turned against them.

This is the way the Kremlin master planners are exploiting the UN for their purposes. The predesigned parts are being produced by many unsuspecting workers who believe they are helping to build baby carriages described to them with such slogans as "peace","international co-operation", "world brotherhood", "human rights", "peace-keeping operations", et cetera. Little do many realize what the final product could be when the component parts are assembled.

Let us assemble some of the major parts of the Soviet Russian blueprint for the United Nations. Although the Third International repudiated parliamentarism, Communist members were instructed to enter bourgeois parliaments "to direct the masses to blow up the whole bourgeois machinery and the Parliament itself from within". Consequently, the Soviets have been constantly using the rostrum of the United Nations to spread communism over all the world and to inflame colonial people and underdeveloped nations against the western powers, particularly the United States. Testifying to the Committee on un-American Activities, Dr. Marek Korowicz, a UN delegate from communist Poland who defected in 1953, stated:

> We were all indoctrinated strongly with the Russian master plan to reach

> the working classes of the various countries in the western world over the heads of their governments...The organization of the UN is considered as one of the most important platforms of Soviet propaganda in the world...The UN offers a parliamentary platform to the Soviet politicians, and from this platform they may preach to the populations of the entire world and do their subversive propaganda.

The Soviet Union has consistently used her veto in the Security Council to paralyze the work of the UN during international crises. Of the 109 vetoes cast from January 1946 to October 1967, almost all of them were cast by the U.S.S.R., except France, four times; the United Kingdom, three; and China, one. The United States did not use its veto at all. The Soviet Union vetoed all resolutions relating to Soviet aggression in Hungary in 1956 and recently her invasion of Czechoslovakia. She has been attempting to make UN peace-keeping operations as ineffective as possible also by refusing to contribute her share. In such a way the U.S.S.R. has used the UN to frustrate the foreign policy of the major capitalist countries; consequently, the veto should be abolished, as advocated by Senator Roebuck, or at least must be drastically modified.

The part of the Soviet Russian blueprint that has been most successfully realized was the role of the United Nations "in breaking up the colonial territories of the non-communist countries", particularly in Africa. Commencing with 51 members 24 years ago, today the UN has 126 members, during which time some one billion people have achieved their independence, thanks to the efforts of the UN.

Hon. Mr. Martin: May I ask the honourable senator a question? Is he aware, notwithstanding the validity of the contention, that there should be no difference in the power of members of the Security Council? The fact is that the Soviet Union is not the only great power that insists on the right to exercise the veto. This is the position of Britain, France and the United States.

Hon. Mr. Yuzyk: Yes, I am quite well aware of that, but it does not mean that the other countries of the UN should not insist that there be a reform in this respect.

Hon. Mr. Martin: That is right.

Hon. Mr. Yuzyk: Now, with the disappearance and disappearing of imperialism and colonialism throughout most of the world, the great paradox of our age is the existence of a United Nations member, the Soviet Union, which has emerged as the world's greatest imperialist power. It is most ironical that the U.S.S.R. while steadily expanding has been the loudest in the United Nations in denouncing imperialism. The greatest threat to the freedom and independence of man and nations and to the peace of the world today is Soviet Russian imperialism, under the guise of spreading revolutionary socialism and communism to all peoples.

We can be proud that Canada was one of the first nations to challenge Russian colonialism in the United Nations. In his famous speech of September 26, 1960, Prime Minister John G. Diefenbaker reminded Khrushchev of the Soviet declaration for "The complete and final elimination of colonial regimes." Diefenbaker then presented the record of Britain and France regarding the elimination of colonialism, and I quote:

> Since the last war, seventeen colonial areas and territories, comprising more than 40 million people, have been brought to complete freedom by France. In the same period fourteen colonies and territories, comprising half a billion people, have achieved complete freedom within the Commonwealth—this with the approval, the encouragement and the guidance of the United Nations, the Commonwealth and France. There are few here that can speak with the authority of Canada on the subject of colonialism, for Canada was once a colony of both France and the United Kingdom. We were the first country which evolved over a hundred years ago by constitutional processes from colonial status to independence without severing the family connection.

Later the Canadian Prime Minister posed the following questions: "How many human beings have been liberated by the U.S.S.R.? ... How are we to reconcile the tragedy of the Hungarian uprising in 1956? ... What of Lithuania, Esthonia, Latvia? what of the freedom-loving Ukrainians and many other eastern European peoples?"... And very emphatically he stated: "There can be no double standard in international affairs."

The United States took a firm stand against Soviet imperialism at the Sixteenth General Assembly in the fall of 1961. President Kennedy expressed American sympathy and sup-

port for the continuing tide of self-determination in the following statement:

> But that is why there is no ignoring the fact that the tide of self-determination has not yet reached the Communist empire, where a population far larger than that officially termed "dependent" lives under governments installed by foreign troops instead of free institutions—under a system which knows only one party and one belief—which suppresses free debate, free elections, free newspapers, free books, and free trade unions—which builds a wall to keep truth a stranger and its own citizens prisoners. Let us have the choice and the practice of free plebiscites in every corner of the globe.

The American Ambassador to the United Nations, Mr. Adlai Stevenson, at the same session, on November 25, 1961, condemned all forms of colonialism and urged the United Nations to focus attention on the colonialism of the Soviet Union by applying the key of self-determination. He related the historical events of the Soviet conquest of several peoples who had established independent states after the fall of the Russian monarchy at the end of the First World War, noting how the Bolsheviks employed a double standard with complete impunity.

Ambassador Stevenson then explained how the Soviet Government justified the double standard:

> The right of self-determination has never been accepted for its own dependent areas by the Soviet Government. Stalin in 1923 explained that "there are instances when the right of self-determination comes into conflict with another, higher right, the right of the working class to fortify its own power. In such cases the right of self-determination cannot be and must not serve as an obstacle to the realization of the right of the working class to its own dictatorship. The former must give way to the latter." In short, self-determination is a right which can only be upheld when the peoples concerned have not fallen under communist domination.

Mr. Stevenson warned that the ascendancy of the smiling Khrushchev had brought no changes in the Soviet nationalities policy, whose announced design was to eradicate all national differences between the diverse nationalities and the great Russian model. The ambassador subsequently concluded:

> This is the unique aspect of Soviet colonialism—an aspect that differentiates it from all other historical examples of one state's suppression of another's freedom. Through the total state controls of mass culture, propaganda, education and movement, the Soviets seek to wipe out forever the national characteristics that differentiate the Turk from the Ukrainian, the Kazakh from the Armenian, the non-Russian from the Russian. They not only seek the eradication of differences and the supression of freedom, but the eradication of the desire for freedom.

In view of the harmony of Canada and the United States regarding Soviet Russian imperialism, one would have expected a stronger combined effort at the 18th General Assembly of the United Nations in the fall of 1963. The American delegate, Mr. Yates, delivered a speech on December 4, 1963, pointing out that "fortunately for the rest of the world, and fortunately perhaps for the Soviets themselves, in the long run, this new empire is tending to crack up." Referring to the fact that the United Kingdom, France and other powers had granted independence to their formerly colonial territories, he asked outrightly, "Can the Soviet Union point to one territory that it has surrendered?", and he answered, "It cannot." He called upon the nations of the world "to make sure that every people now under colonial domination is given the chance to exercise the right as well as the pure form of self-determination" according to the promise of the United Nations Charter for all peoples. The Canadian Government and the other governments of the free world decided not to press the matter against the U.S.S.R., which thus has been allowed to violate the basic principles of the United Nations.

There is abundant evidence to show that the communists throughout the world, under the leadership of the Soviet Union, have been consistently carrying out the objectives of Stalin "to confuse, disorganize and destroy the forces of capitalism around the world" in the process towards "a single dictatorship of the proletariat." It is generally known that the advanced capitalist countries have been compelled by the United Nations "to pour prolonged financial aid into the underdeveloped countries", as part of the communist policy to weaken the western countries, while the Soviet Union and her satellites have given proportionately very little aid, and

when they have given assistance it was usually in the form of weapons and ammunition to strengthen the communist and pro-communist forces, as was the case in Katanga during the Congo crisis. It is no surprise, for example, that when the General Assembly in 1953 created a special UN fund for world economic development, the United States found itself paying nearly 70 per cent of the $5 billion.

In pursuit of the ultimate objective of establishing world government, the Soviet Union has concentrated on the Secretariat of the United Nations, particularly on the permanent staff members. The communists know that the resolutions and edicts passed by voting delegates of the General Assembly and the Security Council can be effectively neutralized and prevented from being realistically carried out by the thousands of international bureaucrats. J. Edgar Hoover, Director of the Federal Bureau of Investigation (FBI), disclosed in 1960 that between 70 to 80 per cent of the iron curtain diplomatic representatives in the U.S. had "some type of espionage assignment", in spite of the loyalty oath to the UN. Here is how Congressman Fred Busbey explained the activities of iron curtain civil servants in the UN Secretariat to Congress on August 3, 1953:

> Agents of Russia, Czechoslovakia and Poland, as employees of the World Organization, face little or no surveillance of the type Americans face in communist countries. They can talk to anyone. They can communicate with Moscow by secret radio code; they can travel back and forth between New York and their home capitals freely, carrying secret documents with immunity. They are even free from arrest for minor crimes. And, if one is caught red-handed with secret U.S. documents, as was Valentin Gubitchev in the Judith Coplon case, he can count on merely being sent home, his passage paid by the UN.

It is often not realized that one of the most important positions in the United Nations is that of the Under-Secretary General for Political and Security Council Affairs, about which the public knows virtually nothing. Its importance can be judged from the three main areas of its responsibility:

> 1. Control of all military and police functions of the United Nations peacekeeping forces.
>
> 2. Supervision of all disarmament moves on the part of member nations.
>
> 3. Control of all atomic energy ultimately entrusted to the UN for peaceful and "other" purposes.

It should be of concern to the free world that, since the inception of the UN, this tremendous power has been in the hands preponderantly of high-ranking communists—one from Yugoslavia and seven from the U.S.S.R.

Hon. Mr. Martin: May I ask the honourable senator whether he has the name of the official in the Secretariat who comes from Yugoslavia? Is that Mr. Proditch?

Hon. Mr. Yuzyk: I will look that up.

Hon. Mr. Martin: The honourable senator can give it to me later. The man I have in mind is Mr. Proditch—who is not a communist, of course.

Hon. Mr. Yuzyk: I would have to check on the list that I have here.

The Soviet Union must not be allowed to monopolize this important position, which should be rotated on a more equitable basis also among the democratic powers, with more stringent supervision.

In order to prevent the Soviet Russian blueprint objective of using the UN to "bring about the amalgamation of all nations into a single Soviet system"—which, of course, is world government controlled by the Russian communists—the free nations must watch very closely all the activities of the UN Secretariat and have it reformed to make it more effective in carrying out the principles of the United Nations. It has been a fortunate turn of circumstances that Red China now challenges the ascendancy of the Soviet Union to world supremacy, which consequently has undermined that threat for a while. Red China is now a big thorn in the side of the Russian imperial state. If the Canadian Government is resolved to approve Red China's admission to the United Nations, it must as a prerequisite and condition secure the strengthening of the executive arm of the UN.

At this time, when the free world is confronted with the brute force of Soviet imperialism, it is well to remember the imperishable idea expressing the essence of the struggle of humanity for its highest values which was pronounced by that great President of the United States, John Fitzgerald Kennedy, who laid down his life at its altar:

> The most powerful single force in the world today is neither communism nor capitalism, neither the H-bomb nor the

guided missile; it is man's eternal desire to be free and independent.

In the struggle against this superpower, the U.S.S.R., the hope of the free world lies in the co-operation of the free nations and the effectiveness of the United Nations Organization. We must never allow the free nations to fall into a mental state of compromise with Moscow which will undermine the highest values of democracy, culture, religion and humanitarianism. The defeat of Russian imperialist communism is possible only by the common mental and material effort of the free nations and the captive, oppressed nations. Consequently, much more must be done to take advantage of the spiritual contribution and experience of these captive peoples who are the victims of the new form of Russian imperialism.

After last year's celebration of the 20th anniversary of the Universal Declaration of Human Rights it must be constantly stressed that the Soviet Union has violated most of these rights, which had originally been sanctioned by the U.S.S.R. The foundation of the Charter of the United Nations is the recognition of the sovereign equality of all nations. Member nations are obligated to refrain from the threat and use of force against the territorial integrity and the sovereign independence of any state. In its work in the United Nations the Canadian Government must insist on the co-operation of the free nations to make the Soviet Union adhere to the principles of the Charter and the Universal Declaration of Human Rights. As strength is the only language that communists understand, the concerted action of the democratic and free member states of the United Nations is our only assurance at this time that freedom, truth and justice will ultimately prevail for all peoples.

Hon. Arthur W. Roebuck: Honourable senators, may I congratulate Senator Yuzyk on his excellent address. As he described the idea of liberty in Moscow, I was reminded of a description of freedom that I read very recently. A gentleman of the southern United States prior to the Civil War, in describing liberty in general terms, said that his thought of liberty was the right and freedom of every man to do as he chose with his own "nigger". I think the story, to some extent, applies to the Soviet Union in its relationship with its subject states, that is, the states over which it exercises control.

I should like to make the observation that, so far as Canada is concerned, our policy has always been, and is now, one of self-determination for those states within its sphere of influence and the sphere of influence of the Soviet Union and all other spheres of influence. That has been the philosophy and policy supported without exception by our former Prime Minister Lester Pearson and by our present leader in this house, who for so many years represented Canada with ability, clarity of thought and eloquence in the capitals of the world. I refer to honourable Senator Martin.

Self-determination is Canada's position today. It is the position of our present Prime Minister; it is the position of the Minister of Foreign Affairs; I think it is the position taken by all of us in Canada, and it defines fairly well the attitude we adopt not only to ourselves but also to the Soviet Union, namely, the right of all states, no matter how powerful or how weak they may be militarily, to self-determination—to be masters of their own destiny in their own local and foreign affairs.

Mr. Speaker, before proceeding to discuss the Speech from the Throne, may I say that I have noted the many compliments thrown your way—and well deserved compliments they are—for the way in which you have presided over the affairs of this chamber for a considerable length of time?

May I add my compliments to those who have preceded me in this debate? They have handled themselves competently and eloquently and have earned my unqualified admiration and utmost goodwill. There is very little for me to add at the moment in this respect, except to adopt as my own all the kind remarks that have been made by everyone.

Honourable senators, I find the Speech from the Throne a comprehensive document, informing the people of Canada as well as the members of this chamber of the Government's thinking with respect to a number of outstanding problems of the day. May I be allowed to enumerate some of those problems? There is the extension of the franchise; the revitalization of the United Nations; freedom in the use of language; the difficult problems of pollution; the proper use of our natural resources. I am very pleased to note that among these various problems referred to in the Speech from the Throne is that of inflation.

I am pleased that the Government regards inflation as one of the most serious problems, one "fraught with potential disaster". The

Government has declared its determination to control inflation by every means within its power. I congratulate the Prime Minister on his leadership in this regard, and I wish him success in restoring to the Canadian nation the blessings of an honest dollar. By that I mean a monetary unit which will purchase today what it purchased yesterday and should purchase tomorrow. I am particularly impressed with the determination so expressed of using to that end every means within the Government's possession. I wish the present Government greater success in that regard than has attended similar resolutions in the past.

The continued decrease in the purchasing power of the Canadian dollar and the consequent increase in the cost of living is, in my judgment, a national disaster of the first magnitude. It is with regard to the means available that I am concerned and would like to speak to you this afternoon. The fall in the value of money together with rising prices is of such grave national importance that having given this subject some study, I should like to the best of my ability to share my thoughts with my colleagues in this chamber and with the public. Therefore if honourable senators will bear with me for a while I shall discuss this money question that seems so fraught with mystery, is so difficult to understand, and yet which is, I submit, rather simple.

Let me point out that there are two factors which set the price in every transaction. First, there is the intrinsic value of the commodity bought or sold, and, secondly, there is the purchasing power of the money given in payment.

That is elementary, but it is something which because of the failure to bear it in mind is frequently the cause of much confusion of thought. Furthermore, our means of controlling rising prices have been employed with respect to commodity values only and we seem to have overlooked the falling value of the money used in payment. If honourable senators cast their minds back to the arguments and discussions of the past, both in the Press and elsewhere, they will find that they were usually concerned with the intrinsic value of the commodity rather than the price or value of the purchasing power of the money used in payment. In his campaign to control inflation, the Minister of Finance is urging vendors generally to refrain from increasing commodity prices and wages but, as far as I have seen, nothing is said about maintaining the value of our money.

[Hon. Mr. Roebuck.]

For many years the purchasing power of the Canadian dollar has been continuously declining so that wage rates generally, whether fixed by custom or by contract or otherwise, have been eroded in real value so that employees were forced to battle to maintain their standards of living, and disastrous strikes have resulted.

The trade unions have recently been warned against money demands, but union men have seen the plight of working people whom we have designated as the "working poor," that is, the many thousands of unorganized workers in Canada whose wages are so inadequate that their living standards are below the poverty line. Here I am speaking of working men—men with jobs but who are so poorly paid that they are below the poverty line.

I quote from Senator Croll's recent powerful speech on poverty where, speaking about labour unions and the men belonging to labour unions, he said—and I use his own phrase—"they walked the picket line in order to avoid the poverty line." I thought it was a cryptic statement of the facts.

While I wish the Government success in its efforts to hold down prices, I doubt its power to persuade men to forgo wage gains while they see others amassing millions.

But, honourable senators, Canadian wage earners are not the only losers by inflation. The invested savings of the people when repayable in dollars have been stolen away in huge amounts. People on fixed-dollar incomes and retired pensioners and all those who have investments or obligations which are repayable in stated numbers of dollars have been cruelly reduced to poverty. Downward fluctuations in Canadian money have been a major disaster if not, indeed, a long continuation of disasters for the masses of our people.

But, honourable senators, this situation has not applied to everyone. It is perfectly obvious that what the creditor loses, the debtor gains, and I pause to point out that ownership of material things is not affected by falling money. I might mention for instance real estate or common shares, which give the right to share in the profits of business; these are not affected by the decline in money. The value remains and the money value for their purchase or for rent is adjusted accordingly, and thus large financial institutions whose obligations are repayable in dollars while their assets are in equities, including real estate, may be gainers of many millions of dollars when the value of money which they are under obligation to pay declines.

For instance, according to a pamphlet published recently by the Canadian Life Insurance Association, Canadian insurance companies at the end of 1969 will owe Canadian policyholders $90 billion in life insurance. Honourable senators, that is a huge sum. It is payable, of course, in paper dollars at future times and under stated conditions. Now, Canadian money has declined in purchasing power during the past eight years at the rate of 4 or 5 per cent per annum. Consider for a moment what that means. Five per cent of $90 billion is $4,500 million. That is a gift of that amount to the insurance companies at the expense of 11 million Canadian policyholders. Of course it is only fair to point out at this moment that some of the assets of the Canadian companies are also in promises to pay fixed amounts of paper money, such, for instance, as Government bonds, so that they will be losers to the extent they are paid in the same type of security. However, we have all seen these notable skyscrapers built by insurance companies.

What the insurance companies lose and others may gain is small comfort to the policyholders whose protection is whittled away by continuous devaluation of Canadian money. Trust and insurance companies, the banks, and many others, whose obligations are payable in dollars, are similarly affected.

What about the Government itself? According to the latest public accounts the unmatured Government debt as of March 31, 1968 amounted to $20,579 million. During the last fiscal year the purchasing value of the Canadian dollar decreased by about 5 per cent. Five per cent of $20 billion is $1,000 million, which the Government gains and investors lose in a single year, in the value of the money with which they are to be paid.

This monumental sum which the Government has gained in half a century—because our money has been decreasing in value for the last half a century, since Canada went off the gold standard—is far beyond my power to calculate, but I think an accountant who took the time could very easily figure it out—it would be a magnificient sum. The huge gains of the debtors which the creditors have lost is beyond my powers of calculation.

The falling purchasing power of money is, in my judgment, the most monumental fraud in the history of the people of Canada: it has brought misery to thousands of people living on pensions or savings; it has fouled wage rates; it has brought about industrial turmoil; it has invaded the kitchen and furrowed the brow of the housewife.

All power, I say, to the Prime Minister who will slay that dragon by every means within the Government's capacity, but I wonder if he and his associates have considered the pressure a government encounters when millions of dollars are involved.

What concerns me at the present moment and what I would like to discuss with you is the means to be employed. Since the First Great War, when we went off the gold standard, the value of our money has been determined by supply and demand, and that only. We took away from it the support of gold and left it to supply and demand.

When the supply of currency goes up in relation to demand, its value goes down; and, vice versa, when supply is reduced in relation to demand, its value goes up. That is illustrated almost daily in the operations of the international money exchange in New York, on which the banks receive wired results every day. It is very sensitive indeed. When there is more Canadian money for sale in relation to the foreign money which is being bought, the price goes down; and, vice versa, when the foreign money seeking sale is greater than the Canadian money offering to be sold, you get the opposite result. What I have said is supported in both logic and experience.

A notable example of what happens to money when you increase the supply in circulation is that of the German mark. That is almost traditional now. As the printing presses operated, the mark fell in value and, finally, the mark was utterly ruined by the printing presses.

Honourable senators, take note of these facts. According to the Dominion Bureau of Statistics, the currency in circulation—that is, notes and coins—in Canada in May 1956 totalled $1,807 million. In May 1967 it totalled $3,029 million. That is an increase in 11 years of $1,222 million in circulation in Canada; or, shall I say, 60 per cent. I need not tell you that during that period the cost of living advanced concurrently and in very large amounts.

Then in 1967-68 our financial chickens came home to roost. Among other things, the Government encountered difficulty in selling its bonds. People naturally avoided investing in securities repayable in depreciating money. Speaking in London, Ontario, according to the *Globe and Mail* of February 4, 1969, Mr. Louis Rasminsky, the Governor of the Bank of Canada, said this:

> People are not foolish. When they saw that governments encouraged inflation

they stopped placing their faith in money savings.

That is, some at least stopped buying Government bonds. However, if bonds are difficult to sell, dollar bills are very readily printed, and when used to pay government obligations they mingle with those already in circulation without publicity, without the cost and the fuss of selling them, and they constitute, when they have joined the current of Canadian money in circulation, a loan by the public to the Government without interest. So, departments of finance find them very desirable. Is it any wonder that the chanceries of the world print paper money, and print it like drunken sailors are supposed to spend it. The only thing that the Department of Finance, or those in charge, has to fear is what actually happened in 1967 and 1968. There was an addition to the currency in circulation, as I have already said, of $1,222 million in eleven years. That so exceeded business requirements that it suggested the prospect of a drastic devaluation of Canadian money. Speculators saw the chance of making a killing, and they sold short on the New York exchange.

In a speech to the Canadian Club in Victoria, British Columbia, on October 17, 1968 Mr. Rasminsky, with reference to a weakening of confidence in the Canadian dollar in January 1968, said this:

> One of the first indications was an unusual hedging of Canadian dollar positions, including the sale of Canadian dollars forward for quite long periods.

That is to say, they sold short.

There was, of course, a run on Canadian money. There was more Canadian money for sale than the market required, and the speculators knew of the surplus of Canadian dollars in circulation, from which they could redeem their forward sales.

And what did the Bank of Canada do to save the Canadian dollar from drastic devaluation? The Toronto *Daily Star* on March 8, 1968 said this:

> To protect the dollar, the Government brought back from the International Monetary Fund...$426 million in reserves already owned by Canada. The move came after the Government had spent about $450 million to support the dollar through January and February.

They were buying up the surplus that they had put into circulation at that time, and at very large figures, as can be observed.

The Ottawa *Citizen* on October 3, 1968, confirmed this, when it said:

> At the height of the crisis Canada drew $426 million from the International Monetary Fund and arranged standby credits of $900 million in February and March to support the dollar exchange rate.

This was confirmed later by Mr. Rasminsky in his speech in Victoria on October 17, 1968, of which the Bank of Canada sent out copies. Mr. Rasminsky said:

> To offset a rapid decline in Canadian reserves of gold and U.S. dollars in January the Bank of Canada drew U.S. $250 million of its U.S. $750 million reciprocal credit facility with the Federal Reserve System.

And further:

> At the end of February Canada drew U.S. $426 million from the International Monetary Fund.

These are indeed big figures, but notwithstanding all of this expenditure of big money Mr. Rasminsky confessed that the weakness in the Canadian dollar continued, and our situation became grave.

What was done? At page 9 Mr. Rasminsky says—

Hon. Mr. Martin: Is the honourable senator referring to the Governor's speech at Victoria?

Hon. Mr. Roebuck: Yes. This is described as "Remarks of Louis Rasminsky, Governor of the Bank of Canada, before a joint meeting of The Canadian Club, Victoria and The Federated Council of Sales Finance Companies, Victoria, October 17, 1968", and is headed in larger type: "Monetary Policy and the Defence of the Canadian Dollar". Mr. Rasminsky said:

> At the end of February Canada drew U.S. $426 million from the International Monetary Fund.

So there is no doubt about that. They were gathering money with which to buy up the surplus. But even that was not sufficient, and the dollar position weakened.

At page 10 of the speech Mr. Rasminsky says:

> Weakness in the Canadian dollar continued, however, and our situation became grave.

Then, honourable senators, what was done? Let me read from page 11:

> On the same date, March 7, 1968, additional standby credits to supplement Canada's depleted foreign exchange reserves were arranged by the Bank of Canada in the amount of U.S. $150 million with the Deutsche Bundesbank, U.S. $150 million with the Banca d'Italia and U.S. $100 million with the Bank for International Settlements. The Export-Import Bank of the United States opened a standby credit for the Government of Canada in the amount of $500 million. These standby credits were in addition to $500 million still available to the Bank of Canada under our reciprocal arrangement with the Federal Reserve System and the large credits which were still available to Canada from the International Monetary Fund.

Then he adds that the exchange tide finally turned in March. That was a credit of more than $1,250 million arranged by Mr. Rasminsky as a result of which the exchange tide turned. Mr. Rasminsky does not tell how much was spent, but the Ottawa *Citizen* said the Bank of Canada had spent $500 million in February and March to support the dollar exchange rate.

I mention these facts to prove that when the Bank of Canada wishes to prevent the decline in the value of money it reduces the amount in circulation. It will be pretty hard to answer that fact.

Notwithstanding this experience through which we had passed and the expense of meeting the situation when an excess of money was placed in circulation, no sooner had the crisis passed at that extreme expense than the Bank of Canada again proceeded to increase the money in circulation. Month by month, almost without exception, additional amounts have been infused among the notes and coins already in Canadian circulation. According to the Dominion Bureau of Statistics the amount in circulation in February 1968 was $3,103 million. By September 1969 it was $3,674 million, an increase of $571 million in a period of 32 months. This was an average of $18 million per month for 32 months. That is our situation at this moment.

What has been the result? In effect, in March 1967 our circulation was $2,909 million. When the crisis ended in January 1969 it was $3,422 million, an increase of $513 million. The purchasing power of Canadian money fell about 6 per cent in the same period. From January 1969, when the amount in circulation was $3,422 million, to September 1969 when it was $3,659 million, a further increase of $237 million took place.

The further fall in purchasing power of Canadian money is estimated at 5 per cent. That is right up to date. The price index, as you know, started in 1961 at 100. In October, that is last month, it was 126.8. That is to say, the cost of living increased in that period from 1961 to the present time by 26 per cent.

While the Minister of Finance is reducing Government expenditure and the Prime Minister is urging restraint in wages and prices, the Bank of Canada is increasing the money supply in circulation and reducing its purchasing power. Mr. Benson, I suggest, is like the lady who was mopping the floor while somebody else was keeping the tap running.

Hon. Mr. Flynn: The honourable senator does not suggest that the Bank of Canada is acting contrary to the views of the Minister of Finance?

Hon. Mr. Roebuck: I have no knowledge of that. I have knowledge of the facts of what they have been doing, that is all, and I take them to have operated on their own responsibility. I have no knowledge whatsoever of anything that went on between them and the Department of Finance.

To round out what I have said, I should tell you that there may be factors influencing the price of goods and the cost of living other than the amount of money in circulation. Number one is confidence in the nation's ability to pay. As an illustration of that, Confederate notes fell in value as the armies of the South were defeated. When the southern government collapsed, as you know, the Confederate notes became worthless.

So, the confidence in the Government and the country to support their money, to pay their obligations, may affect the value of money, but who has ever questioned the ability of Canada to pay its debts, support its money or do anything else that we have been legally required to do? Nobody has ever suggested anything of the kind. Confidence in the Government or in the state itself has had no influence on our money. Confidence has been complete.

The next thing I would mention is government spending on the purchase of commodities that may increase the price of those commodities but not of other commodities. For instance, if they bought up all the horses, horses would sell on the open market at a high price, but it would not affect the value of all commodities, as does the fall in value of the purchasing medium, the Canadian dollar. I should add that the Government at the present time is making heroic efforts to reduce its expenditures.

Another factor that is sometimes mentioned as having some effect on the purchasing power of money is the amount of deposits in Canadian banks. Personally, I doubt it. If the increase in the deposits had a direct effect upon the value of our money, our money at the present moment would be worthless because the amounts on deposit have been mounting by the hundreds of millions, and as far as we know it has not affected the value of money.

Then there is moral suasion. As I have said, the Government is urging merchants and labour unions to refrain from price and wage increases. Wages and profits, of course, form part of the cost of production and thus may affect prices. But, honourable senators, when you consider the progress we have made in technology and in the organization of production, the advances that have been made in agriculture as well as in the factories, the intrinsic value of commodities should have decreased rather than increased. The prime offender, in my judgment, has been falling money, which has increased the cost of living as it has in these past years.

I submit that if we really desire to stop inflation, if we actually want an honest dollar—which I have described as one that buys today what it bought yesterday and will buy tomorrow—we will stop interested persons flooding the circulation with unsupported paper money, if it takes a ring in Rasminsky's nose to accomplish it.

Hon. Mr. Cameron: Honourable senators, I move that further debate on the motion for an address in reply to His Excellency the Governor General be adjourned until later this day.

Hon. Mr. Martin: Does the honourable senator not wish to go on now?

Hon. Mr. Cameron: I have a fairly long speech, but I shall do whatever the Senate wishes.

[Hon. Mr. Roebuck.]

Hon. Mr. Martin: I should tell the honourable senator that I have made arrangements with Senator Connolly (Ottawa West), to explain a bill which we are anxious to get to the Standing Senate Committee on Banking, Trade and Commerce. This will follow when we resume at 8 o'clock.

Hon. Mr. Cameron: I am quite prepared to go on now, but we have had two lengthy speeches, and perhaps a third might be a bit too much.

On motion of Hon. Mr. Cameron, debate adjourned until later this day.

The Senate adjourned until 8 p.m.

At 8 p.m. the sitting was resumed.

Leave having been given to proceed with Item No. 9:

TRUST COMPANIES ACT

BILL TO AMEND—SECOND READING

Hon. John J. Connolly moved the second reading of Bill S-8, to amend the Trust Companies Act.

He said: Honourable senators, this is a bill to amend the Trust Companies Act, which we considered at the last session, and I say forthwith that what I say tonight will add little, if anything, to the sum total of human knowledge.

This measure was explained, and aptly so, by the Leader of the Government, Senator Martin, on May 8 last, and was approved for the Opposition by Senator Walker on May 20.

Speaking of Senator Walker, I have just been informed that he has been taken seriously ill. I know I express the heartfelt wish of everyone in the Senate that his recovery will be speedy. We will miss him while he is away.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): This bill went to the Standing Senate Committee on Banking, Trade and Commerce on May 21, and on page 11 of the proceedings it appears that it was not only explained by the Superintendent of Insurance but was also approved by Mr. Walter Bean, the Deputy Chairman and Vice-President of the Canada Trust and Huron and Erie Mortgage Corporation, and on behalf of the Association of Trust Companies. I may say that the leader's speech was most comprehensive, and I regret that prac-

tically everything I shall say here this evening will be redundant.

This bill contains 36 clauses spread over some 56 pages, and there is a schedule to it which is a model of the form of letters patent under which hereafter, if the bill passes, trust companies can be incorporated. I must say also that at the time that the Senate Committee on Banking, Trade and Commerce considered the bill, they also considered the amendments to the Canadian and British Insurance Companies Act, and the Foreign Insurance Companies Act.

Many of the changes in the Trust Companies Act were parallel to the changes made in those two acts, so that this one was a relatively simple measure to follow as a result of that discussion. I propose to emphasize a few of the highlights, and to remind my colleagues of the contents of the legislation.

The mother act itself, the original enactment, is chapter 272 of the Revised Statutes of Canada 1952. It might be helpful and it might simplify matters if we remind ourselves as to what a trust company is. We all know in a general way that it holds and invests trust funds, executes instruments of trust of all kinds, and acts as executor, administrator, curator; it also manages estates, receives and manages sinking funds, guarantees the repayment of moneys entrusted to it for investment through the medium of guaranteed investment certificates; it acts as transfer agent for securities and other instruments issued by corporate enterprise, acts as collection agency at times, acts as depositor for chattels of value through its safe deposit boxes, takes deposits of money which it invests, and it holds and manages real estate. This is a very general description of a trust company, but in fact it is a recital of the powers of a trust company which the Statutes of Canada give it in Section 63.

A trust company also has certain investing powers. It may invest unguaranteed trust funds under certain conditions which are prescribed in the mother act. It invests guaranteed trust funds under more stringent conditions—and these are generally familiar enough not to need an explanation from me now. It lends both types of trust funds, under prescribed conditions.

The measure was amended three times since the Revised Statutes were passed—once in 1958, by chapter 42, once in 1960-61, by chapter 55, and again in 1964-65 by chapter 40. All of these amendments, which were short in comparison to the bill now before honourable senators, were—perhaps I should not say liberalizing—were generalizing, extending the powers of the trust company to meet the requirements of the modern market place.

I examined the report of the Superintendent of Insurance for 1967. I understand that the report for 1968 has been tabled, but it was not available to me at the time. For practical purposes, I think these figures I am about to quote are sufficient.

Honourable senators may be interested to know that there are nine federally incorporated trust companies administered by the federal authority, and ten provincial trust companies which are also administered by the federal Superintendent of Insurance. In addition to these 19 trust companies which exist in Canada, there are some 45 to 47 provincially incorporated trust companies. They operate mainly within the confines of the province in which they are incorporated. Altogether, they do a considerable amount of business.

The provincial companies have $10.8 billion worth of assets to administer and the federal authorities have $3.5 billion worth. They invest their own company funds, money that they own themselves, their own capital and the reserves that they accumulate from time to time. They invest guaranteed funds, as I have already mentioned, that is money which is on deposit with them for a certain period of time; and they guarantee repayment at the end of that period of time with a certain rate of interest which will not vary during the guarantee period. Most of these types of investment are covered by the Canadian Deposit Insurance Corporation Act and so are insured funds.

They also, of course, manage estates and trusts. The funds that come to them under trust documents of this kind are not guaranteed funds.

It is proper to say here that confidence in the trust company business in Canada is very high. This is owing, first, to the character of the people in the industry and to the importance they attach to the trusteeship which is conferred upon them. Secondly, it is due to the further assurance the Canadian public has as a result of the existence of the Canadian Deposit Insurance Corporation.

There have been times when trust companies have been in difficulty, but it is important to say that the industry as a rule has responded by stepping into the breach and taking over, with the usual result that the problem is corrected.

The purpose of this bill is to give better service to the public than the good service that has been given up to now. It is to modernize and up-date the requirements for trust company business, and, on the administrative side, to extend their powers to enlarge their investment policies and their lending plans.

Perhaps one of the significant changes to be noted is the fact that while, heretofore, trust companies have had to be incorporated federally by special act of Parliament, now it will be possible for them to be incorporated by Letters Patent. Indeed, federally, parliamentary charters may be amended by Letters Patent, but in every case, whether it is an original incorporation or an amendment to an existing charter, the superintendent's approval and his prior investigation are required. Even provincially incorporated trust companies, under this bill, can incorporate and continue as federal trust companies; and, if they do so, it is provided that the rights of all of the creditors of the existing provincial company which becomes a federal company are preserved.

In years gone by, the minimum capital required by a trust company was $250,000. It is now required that the minimum amount of paid up capital before the company begins business should be $1 million.

Licences are issued annually by the superintendent, after examination. There is now a new provision, not in the act passed last spring, to the effect that old companies which have gone out of existence and are no longer licensed will, after a two-year period, be considered to be no longer in being and will not be able to carry on business.

The bill also provides that 75 per cent—in other words, three-quarters—of the directors must be Canadian citizens and Canadian residents. The minimum number of directors for a federally incorporated trust company will be five and the maximum thirty. Directors must retire at the magic age of 75 years.

The restrictions on non-resident owned shares are as follows: for an individual, 10 per cent, and for a group 25 per cent.

There are sections dealing with the requirements as to recording the shareholders' names and addresses, and there are sections which deal with the passing of by-laws and amendments to by-laws which are, I think, the kind of sections with which we are all familiar and which we see regularly in acts of this kind. As I have said, a foreign owner or non-resident cannot own more than 25 per cent, but even when he owns more than 50 per cent in an existing trust company his rights are not to be infringed by this act.

[Hon. Mr. Connolly (Ottawa West).]

There are provisions as to the holding of annual general meetings, and as to the kind of statements to be produced for the shareholders' inspection at annual meetings. There is provision too for the appointment of auditors, and the requirements for the kind of statement that auditors make is spelled out in great detail.

Changes are also proposed in the investing powers of trust companies. Heretofore they have been restricted largely to mortgages on freehold and the blue-chip type of investment sometimes not particularly attractive, especially in the modern market. Under the bill, trust companies will be able to invest in mortgages on leaseholds and mortgages on ground rents. They will be entitled to invest outside Canada in countries where the company does business. An example of this would be the Bahamas where our old friend Donald Fleming is manager of a trust company and the representative of a bank. It is, I think, quite proper that a Canadian company of this kind should invest and involve itself locally.

Hon. Mr. Martin: But this bill is not being passed to accommodate Mr. Fleming.

Hon. Mr. Connolly (Ottawa West): But it will help him, I hope. It will also permit investment in real estate to earn income. This, I think, is a new departure for trust companies but a very sensible one. Any of these investments in excess of 75 per cent of the value of the property in which the investment is made must be guaranteed in one form or another, and probably under the Canadian Deposit Insurance Corporations Act. Other types of guarantee could be given that would satisfy the requirements of the superintendent in that respect.

It is interesting to note too that a trust company can hereafter invest in properties guaranteed by the Inter-American Development Bank, by the Asian Development Bank or by the government of the country in which it does business—and that will help Mr. Fleming too.

Hon. Mr. Martin: I should know the answer, but does the bill mention the Asian Development Bank or the Inter-American Development Bank?

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

Hon. Mr. Martin: Perhaps Senator Connolly would bear in mind that since this bill was framed there has come into being the Caribbean Commonwealth Development Bank.

Hon. Mr. Connolly (Ottawa West): Yes. The honourable senator was there on behalf of Canada to see that that important step was properly taken. But I think the bill we have before us tonight was prepared before he made his historic trip to the Caribbean in the cold weather, and it does not happen to be mentioned.

Hon. Mr. Flynn: All his trips are history!

Hon. Mr. Connolly (Ottawa West): He is an old hand at political manoeuvering, let me say, even if it is international.

Loans can be made by trust companies, of course, and the bill we passed last spring allowed loans to be made under the provisions of the Canada Student Loans Act, the Farm Improvement Loans Act, and the Fisheries Improvement Loans Act. This bill adds the Small Businesses Loans Act. This applies both to trust funds administered by a trust company and to the company's own funds.

The reserves required are generally described this way, that in Canada the company must at all times have assets at least equal to its liabilities. Of course, most of them have assets far in excess of their liabilities. It must also have 20 per cent of its guaranteed investments in what is described as relatively liquid form.

There is another provision which entitles a trust company to own subsidiary companies. This would include subsidiary companies incorporated outside of Canada, companies operating mutual investment funds, mortgage loan companies, and generally companies which do business ancilliary to the trust company business.

There is a new provision in this bill which says that this must be done under the guidance of the Superintendent of Insurance, and that he may disallow some of these proposed activities of a trust company if it attempts to acquire the ownership of certain types of subsidiaries.

The bill also prohibits certain investments. Generally speaking, these are what are described as transactions that are not at arm's length. For example, loans cannot be made to directors or to officers, their spouses and their children.

A trust company is prohibited, in the second place, from making loans to "substantial shareholders". A substantial shareholder, by definition in the bill, is one who owns at least 10 per cent of the issued stock. It is proscribed from making loans to persons with a "significant interest"—a significant interest is said to be the ownership of 50 per cent of the stock. I would say that that would be quite significant!

Another type of loan that is prohibited is what is generally called a downstream loan. Unlike Senator Beaubien and Senator Gelinas, I am not familiar with these modern technical terms and the jargon of St. James Street and Bay Street, but I shall try to explain this because I want to understand it myself.

If, for example, Smith owns 50 per cent of the shares of a trust company, and he also owns 60 per cent of a mutual fund company, and that mutual fund company owns 30 per cent of a mortgage company, then under the act, he is deemed to own 30 per cent of 60 per cent, or 18 per cent, of the mortgage company. By subsection 4 of section 68D of the act as it will be, the trust company can neither lend to nor invest in the mortgage company or the mutual fund company as used in the example.

That is an example of a downstream loan. I suggest to honourable senators that they read that subsection—

Hon. Mr. Sullivan: And then make a diagnosis.

Hon. Mr. Connolly (Ottawa West): Yes. I will leave it to Senator Sullivan to make the diagnosis. Perhaps the Superintendent of Insurance would not agree.

If the trust company—not Smith in this case—owns 30 per cent of the mortgage company, then the trust company can lend to or invest in the mortgage company. So, if the trust company has the interest, that is one thing, but if a shareholder in the trust company has the interest in the downstream company, then a loan or an investment is prohibited.

The bill that was before us in the spring eliminated section 64(3) of the mother act which proscribed loans to directors, officers, their spouses and their children, and to corporations more than 50 per cent of which was owned by those directors, officers, and their spouses and children. This applied to trust funds generally, but the company's own funds and the guaranteed trust funds are now covered by section 68D.

Honourable senators, I should like to speak for just a moment about borrowing powers. At one time a company could borrow more than 10 times its capital and surplus. Subsequently that limit was raised to 15 times its capital and surplus, and now it is being raised to 20 times its capital and surplus.

There is provision for the filing of statements with the superintendent. Statements of investments and loans have to be filed half yearly. Statements of the company's assets and liabilities must be filed quarterly. There are special provisions for control by the superintendent. If he should find a company to be in difficulty at a given time he is required forthwith to report the difficulty to the minister. He and the minister have remedial powers, however, to give the company an opportunity to put its affairs in order, or an agent of the superintendent can manage the company for a period. A court order can also be secured to operate or wind up the company.

I hope that I have been neither too long nor confusing in my explanation. In any event I commend the bill to the chamber for approval.

Hon. Jacques Flynn: Honourable senators, as has been indicated by the sponsor, this Bill S-8, an act to amend the Trust Companies Act, is practically, except in minor details, the same measure that we passed last spring. The full explanation given by Senator Connolly has added to the clear and complete explanations which were given by the Leader of the Government last May when we passed the previous bill. These explanations indicate clearly that we have before us a highly technical piece of legislation, the purpose of which is to update the Trust Companies Act.

I am quite sure I need not go into many of the details of this bill. When we dealt with it last spring, Senator Walker spoke on behalf of the Opposition. In this connection I confirm that Senator Connolly was speaking for every member of this house when he expressed our best wishes to Senator Walker for a speedy recovery. Last spring Senator Walker suggested that this was truly a committee bill, one which can be better discussed and examined in committee. I fully agree with his suggestion, and therefore I do not propose to argue or comment on any of its particulars, except perhaps the provision that a provincially incorporated trust company may be continued in existence as a federally incorporated company if there is enabling legislation in the provinces. I do not know if any such legislation exists, but I know that there is a tendency at the present time in many provinces—I know that it exists in Quebec also—for provincially incorporated trust companies to be converted into federally incorporated companies. I think one of the reasons is that it gives better security to clients and the public generally because we have the same type of supervision by the Superintendent of Insurance.

Hon. Mr. Connolly (Ottawa West): And it can move out of the province.

Hon. Mr. Flynn: The rules for disclosure would be the same for all the companies coming under the federal act. This, I think, is the main reason why some provisions explained by the sponsor of the bill have been borrowed from the new Bank Act and adjusted, because the trust companies are called "near banks" and some provisions applicable to banks should be applicable to trust companies in that the latter do the same kind of business as the banks.

In any event, a very full explanation of the bill will be given again in committee. One has already been given by the Superintendent of Insurance, and he can tell us if any new facts have been disclosed since we last examined this bill in committee. At this time I do not think we can do better than let the bill go to committee and hear from the Superintendent of Insurance or any other person or corporation who may have comments to make about the proposed legislation.

Hon. Mr. Connolly (Ottawa West): I thank Senator Flynn for his comments. What he said is very appropriate, and is very much what Senator Walker said when he spoke on this measure last session.

I should like to add two further remarks. I refer first to his comment about provincially incorporated companies wanting to be converted into federally incorporated companies. The supervision and security that might be provided under the federal act may be one thing, but perhaps the principal reason may be that trust companies look for expanded markets and better opportunities for wider services. I think it is more profitable for them to be able to start out in one province and branch out into others.

My second comment is perhaps almost a point of order. I think that consideration should be given at some time to eliminating the repetition of detail when bills of this character have already been passed by this

house or the other place. We gave this bill thorough consideration last spring, and then the prorogation of the session has intervened. I do not say this or any government should necessarily tie itself down, but we are all anxious to try to save parliamentary time. When we go through a bill again we are not doing that. The rule that a bill dies on the order paper at the end of a session might be reviewed with the object of saving parliamentary time. This is not a party matter; this is a parliamentary matter. Parliament is an evolving thing, and I believe that this would be an appropriate change to make.

Motion agreed to, and bill read a second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from earlier this day consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Desruisseaux, seconded by Hon. Mr. Everett, for an address in reply thereto.

Hon. Donald Cameron: Honourable senators, in participating in the Speech from the Throne, I would first extend my felicitations to those who have spoken before me, particularly to the mover and the seconder, and the others who have participated in the discussion.

Also, by way of introduction I would like to comment on two speeches we have heard this afternoon. Not being an historian, I wish Senator Yuzyk had documented a little more clearly the authorities he quoted It is true that he referred to a number of eminent persons, but I would like to refer back to the documents in which their pronouncements were written, because I think it is important that we be able to evaluate the sources of any statements made. It was, nevertheless, a very interesting presentation. I sometimes wonder, when he accuses the Russians—and I am the last one to be defending them—of breaching the United Nations Charter. It would be an interesting exercise to see how many other signers have also breached the charter. I could think of a few.

I was particularly gratified with the presentation of Senator Roebuck. It was a thoughtful discussion in an area which is of tremendous concern to everybody today. When you see trust companies offering interest of 8½ or nine per cent and more, you know that the individual who is borrowing that money is paying 10½ or 12 per cent. In bringing this matter up, in regard to what has happened to the depreciation of our dollar, he touches on one of the sore spots in our social system today.

In the course of my remarks this evening I will be touching on three matters which were referred to in the Speech from the Throne. somewhat obliquely, it is true.

First, the report of the Task Force on Information; and, secondly, the systematic appraisal of our Canadian society—after all, that is what Senator Roebuck was talking about; and thirdly, the importance of this tremendous multi-disciplinary study of pollution.

Now, in the course of this debate, the mover, Senator Everett, suggested that as part of Canada's national policy we should seek to disperse the establishment of Government agencies, departments and plants in which the Government may have a direct interest to different regions in Canada. Senator Everett made a plea for the wider dispersal of plants in Western Canada, and I would like to second that appeal. It is generally understood that the basis of all economic production today is an abundance of cheap power, such as we have in Western Canada. We have an abundance of hydro electric power and we also have rich resources of thermal power in gas, oil and coal in superabundance. I think that we have resources and facilities which would enable us to compete very effectively, providing the dispersal of industrial plants was given a little more attention in our national policies.

One of the encouraging signs of the times today is that western Canadians are showing a new confidence in themselves and a new competence in mobilizing their own resources of manpower, skills and money. There are a number of very encouraging developments in the establishment of industrial plants and financial institutions in the West, and this is long overdue.

However, this is not the theme of my discussion today. I am really constrained to participate in this debate as a result of the

recommendations of the Task Force on Information. The Task Force has rightly emphasized the vitally important role that two-way communication plays in the development of any national enterprise, and whether or not the establishment of an organization known as "Information Canada" is the effective answer to the present inadequate information system, I am not prepared to say at this time. It certainly could not be worse than the situation which exists now.

It is somewhat shocking to realize that the Government has been spending anywhere from $140 million to $148 million a year on information. Surely in a time when we are looking for ways of curtailing expenditures and getting better value for those we do make, this is one area where we could save millions of dollars and still get better service.

The multiplicity of information officers, and the reams of information sheets and other publicity material that is pouring over the desks of parliamentarians, newspapermen and public officials every day, is nothing short of scandalous. I have counted as many as seven pieces of mail over my desk in one day from the Department of Indian Affairs and Northern Development. These information handouts have almost got to a point of such ridiculousness that they will soon be announcing the opening of new outhouses in Aklavik. It seems that every pettifogging move that is made by the minister or some official of this department must be publicized far and wide and the Canadian taxpayer pays the shot.

I mention this department because I think it is one of the worst offenders, but in fairness I must say that the proliferation of this kind of useless paper did not start with the present minister. There are other departments of Government that are addicted to the same useless expenditure of time, energy and the people's money. It is high time that we took a new look at the information services, and it is gratifying to know that something may be done.

While on the subject of departmental use of information systems, I think it is only fair to state that in my judgment the most effective type of information system in the Canadian Government at the present time has been developed in the Department of Agriculture. While I am quite sure there could be improvements in this department as well, it is, nevertheless, true that they do have a system and they have provided themselves with the equipment which makes for an easy provision of information as to what is being done in the department, which is of benefit to the people of this country. It is possible that there is equipment in that department that could serve many departments. This is something which I think should be looked into.

I want to register my agreement with the task force when they state that communication, to be effective, must be a two-way operation. In other words, not only must there be provision for getting information to the people that is of value and importance to them, but it is even more important that the people be able to communicate with the Government and its agencies to give their reactions to governmental policies and to register those reactions at the very core of the administration.

In spite of the expenditures of over $100 million on publicity and information during the past year, it is also true that there are tremendous gaps in the people's knowledge of what the Government is doing, what legislation exists that can be helpful to the people, and the effect of governmental policies. So, I am hopeful that out of the recommendations of the task force will come machinery which will be much more economical than the present wasteful use of public funds in disseminating what in many cases can only be called useless trivia.

However, if we are to evolve proper understanding of the role of communication in our society, we must also examine the role of the mass media in relation to education, because the purpose of an information system is to inform—to give the people information; after all, that is also the purpose of education—to inform, to create understanding, in order that people may be able to use the information in good decision making. It is for this reason that I am linking the role of education and communication as two of the essential elements to which much more attention must be paid if we are to solve some of the malaise in our society.

During the past two years there has been a growing unrest in all countries of the world and much of it is centered in the universities. For many years it was quite common for the initiation of new ideas and new programs to come from the universities in the older parts of the world, and it was not uncommon that the leadership in the initiation of new ideas came from university students. Canada for many years has been rather backward in this respect; many of our students in the professional faculties found high demand for their services, and consequently they centered their energies on the acquisition of professional

degrees so that they could go out and earn money. In recent years, however, there has been a growing disillusionment in the universities. To begin with, the explosion of numbers has played a large role in what has been happening. University enrolments have increased by percentages that far exceeded any of the preliminary forecasts made five or ten years ago. The result has been that university administrators have accepted the thesis that they should try to take care of all of the students who applied to enter universities. Because of the acceptance of such large numbers, university administrations have endeavoured to provide the classrooms and laboratory space to accommodate them, sometimes rather inadequately.

However, once the decision was made that relatively few would be turned away and that universities could provide classrooms and laboratories to accommodate these huge enrolments, the next important decision was to provide the teachers in the classrooms to cope with the numbers. In this respect, we have been much less successful than in providing facilities.

The consequence has been that we have many people teaching in our universities who do not have either the personal or academic qualifications necessary to give a good account of themselves in the classroom. This is one of the reasons for student unrest. The challenge of too many poorly-trained, ill-adjusted professors in our classrooms is a serious one and one which has contributed in a substantial measure to the unrest among the students.

During the past year I have had confrontations with students from one end of Canada to the other, and I have little sympathy with the rude, ill-disciplined, ill-informed students who make up a large element among the so-called "Campus Activists". On the other hand, I know that among this same activist group there are some very brilliant students, and it is this brilliant minority who are expressing themselves as being disillusioned and dissatisfied with the kind of course-content and teaching that they are getting.

During the past year two groups have been expressing themselves as dissatisfied with the products of our universities. On the one hand, we find the so-called hippies—and no one needs to take this ill-disciplined, directionless group too seriously. Much more serious, however, is the criticism that is coming from many industrialists and businessmen, who are saying that a good deal of teaching in universities, particularly in engineering and physics, is irrelevant and unsuited to the kind of technological world in which we are living.

Here again, one of the answers lies in the fact that some university faculties, in order to meet the pressure of numbers, have looked over the graduating classes and sought to entice them directly into the teaching profession. Some of these have made good teachers, many have been totally unsuited and unsatisfactory. Again, as the years have gone by and the explosion of numbers has continued, the necessity for providing even more instructors has been accepted by the universities and these original teachers, who had little practical experience in the industrial world, have brought in others to teach who likewise had little experience. Consequently, we have in some faculties people who have had little or no opportunity to participate in the industrial life of our country, or to get to know at first-hand something of the thinking, something of the requirements, and something of the projection of where we are going in our developing technology.

The criticism has been particularly frequent in the fields of physics and engineering, but the same criticism can be made with even greater force in the fields of the humanities and social sciences. There is an increasing concern that the humanities and social sciences have been left far behind in the race with modern technology, and that one of the reasons for the imbalance in our society is that we have not devoted the resources, the time or the energy, to train the people to staff the schools of social sciences that are needed to meet the dislocations in thinking and the disclocations in social organization which result from the explosion of technology and the change from a rural to an urban society.

There is concern in the universities about the reduction in enrolment in physics and engineering and the overflow of students into the social sciences, where they have not sufficient trained staff to handle the increased enrolment.

The students have been leaving the engineering subjects because they, with all their youthful idealism, are disillusioned with what they see of the uses to which modern technology is being put. They have been witnesses to the war in Vietnam, the war in Biafra, they have seen the chaos in South America where a decadent, feudalistic society is trying to prevent the social changes which are bound to come.

It is no wonder that young people today, as they look about the world, are disillusioned and cynical when they see the results of what their elders have done with the tremendous power that has been given to them through the gifts of modern science and technology. But this swing to the social sciences may pose an even greater threat than anything they have seen before. What has happened is that, as far as Canada is concerned, we have not been training enough people in sociology, in psychology, in economics and in history, with the result that we have brought in people in large numbers from other countries, but particularly from the United States. I want to make it clear at this point that I am not reflecting on the people from the United States, but many of these people have come to Canada and are teaching in fields where it is essential that they have a knowledge of our history, our traditions and our customs and ways. They have come here without that knowledge and yet it is vital that a person teaching in the social sciences and the humanities have an effective understanding of the milieu in which he is working, otherwise he cannot do an acceptable job.

As the pressure of student numbers has increased in the humanities and social sciences, the pressure on the university administrations to get more staff has been very heavy indeed and, as a result, they have brought in more and more people from outside Canada and these people, in turn, when they have required additional staff, have gone back to the original source, with the result that we have an imbalance in our teaching staffs in Canada, particularly in the humanities and social sciences. Not enough Canadians and many foreigners are teaching in an area of subject matter which should be given a much higher priority in our universities than has been the case up to the present time. Many of these import teachers are leftovers from the American universities, people who ordinarily would not have been selected to teach in first-class American schools. Consequently, it is no accident that these are the people who are causing some of the dissention and some of the disruption on our campuses. They are not always doing it deliberately, but they are doing it in part because they are working in a milieu in which they have had no experience and they, in some cases, are trying to impose an alien culture on Canadians.

To support this, one has only to read the reports that have appeared in the papers recently; for one, I quote that pillar of Canadian academe, The University of Toronto.

Hon. Mr. Martin: Thank you.

Hon. Mr. Cameron: Here I should like to quote from an editorial in the Toronto *Star* of November 14, 1969, under the title of, "Americanization at the U of T":

> The University of Toronto thinks of itself as the lending Canadian university, not only the biggest but also the best. It probably is—but how Canadian is it?
>
> A research report to the U of T commission on university government by Daniel Drache has tried to answer this question by checking the citizenship of the teaching staff in the faculty of arts and sciences.
>
> If the findings do not warrant pushing the panic button, neither should they be complacently ignored. The U of T is not yet so inundated with foreign professors as some of the new universities, but it exhibits the same trend.
>
> Of 1,158 persons on the arts and science teaching staffs of the university and its colleges, only 54 per cent are Canadian, 41 per cent are foreign and 5 per cent are not accounted for.
>
> Canadians are in a minority in eight of the 19 university departments, and in another eight Canadians comprise less than 60 per cent of the faculty. In five of 13 college departments Canadians are a minority.
>
> "The largest number of foreign nationals are American academics whose presence is pronounced and on the increase," says the report, and it suggests that they have "greatly affected the policies of departments, the teaching of disciplines and the hiring of new university faculty."
>
> The highest concentration of American academics was found in eight university departments, of which four (history, anthropology, psychology and sociology) are social sciences, and of which two (philosophy and fine arts) are humanities. We think the report is right in saying that—with the exception of political economy, where Canadians have an 86 per cent majority—

and this applies only to the University of Toronto—

> these disciplines perhaps more than any others "are responsible for the formation

and imparting of social, intellectual, national and class values."

The trend at the U of T, as elsewhere, points to what the report calls "a new intellectual and social imperialism," instead of the former domination of Canadian universities by British traditions and models.

"What has changed Canadian universities is the introduction of a social and scientific viewpoint which makes the American historical viewpoint the Canadian historical viewpoint. The devastating effect of this structured colonialism has left its mark on Canadian studies, with the result that they become mere imitations of American studies."

Without denying either the universality of learning or Canada's need to import many highly qualified foreign academics, we maintain that, in sensitive subjects, our universities should be oriented to Canadian realities and concerns. And this orientation can best be given by Canadian teachers. If the universities will not voluntarily guarantee it, governments will eventually have to insist that they do so.

In similar vein I quote from a report in the Ottawa *Citizen* of November 10, 1969, a story entitled, "University of Windsor under Americanization":

A report prepared by three graduate students at the University of Windsor finds their own university wanting in Canadian content and personnel.

The report, prepared by William House, Robert McCrae and Robert Reynolds, says Canadian university students "are now in exile in their own land." Copies have been sent to Education Minister William Davis of Ontario and J. F. Leddy, president of the University of Windsor.

The report notes a steady decline in the number of Canadians on the university faculty to 54 per cent from 76 per cent in 1963, and the lack of Canadian content in their lectures and text-books.

Even Canadian teachers received their graduate education in the United States, says the report, so that at present 57 per cent of the PhDs on the University staff were obtained from the U.S.

CANADA DISREGARDED

It notes that teaching in social science and humanities pays little attention to Canada, and Canadian literature is neglected, Canadian art ignored, and Canadian society disregarded.

Mr. House said in an interview Sunday that from personal experiences the three English department students had found U.S. professors "look down on Canadian culture and look down on Canadian degrees."

Only one course in sociology addresses itself to Canadian problems in a department where almost all courses "are U.S. oriented in ideas, problems and examples."

"If the trend continues," said Mr. House, " We won't be able to find teaching jobs in Canadian universities. I, for one, don't want to leave Canada."

The foregoing are important indicators of what has been happening in our universities, and they represent a trend which is of real concern to every Canadian. It is quite obvious that we have not been training enough of our own people to fill the needs in the social sciences and this can be very dangerous for the welfare of Canada.

It is important to realize, I think, that the deficiencies in our educational system are not confined to Canada. There has been recently published in the United States an excellent report prepared by a special commission on the social sciences of the National Science Board. This excellent paper has just come out and it indicates that in the United States, where probably more attention has been paid to the development of the social sciences than in any other country, there is a great deal of dissatisfaction with what is happening. The report characterizes the social sciences as academic disciplines and, mark this, it goes on to say, and I quote:

Academic social scientists are primarily interested in pursuing basic research problems within their respective disciplines. They often pay relatively little attention to practical applications of their disciplines, though their interest in this area is increasing. Many do consult on applied problems for organizations outside universities. There are also a number of recognized applied specialties—industrial relations, city planning, economic forecasting, criminology, and educational psychology, among others.

> But even where these constitute formal fields of study, they tend to be given secondary status in the prestige structure of the university.

The report continues:

> Much (and varied) applied work is, however, going on outside the colleges and universities—in government, business, and independent research institutes—which is problem-centered and not discipline-centered. This makes it difficult to classify such research by discipline. A social scientist often works on a problem that has traditionally 'belonged' to a discipline other than the one in which he was trained. And one finds non-social scientists (mathematicians, engineers, and computer experts) increasingly working on problems that social scientists have traditionally regarded as their own.

And I say thank goodness for it.

The Commission went on to discuss the obstacles to the use of the social sciences and again I quote:

> Well recognized obstacles to the utilization of social science knowledge lie within the social sciences themselves and social scientists must share the blame for the failure to apply social science more broadly. Most professional social scientists are employed in institutions where their nonteaching activities are focussed on their academic institutions and their research. The research emphasis is on the building up of the basic theoretical structure of the disciplines. And the social scientist who works on applied problems is often viewed as a second-class citizen—regarded by his academic peers as inferior to colleagues who do basic research.

It is high time we changed the emphasis.

> Empirical research tends to be exploratory, or for the purpose of testing theoretical propositions rather than for practical problem solving. Even when social science work is directed to application, it often produces fragments of knowledge that need to be joined with other fragments to present a program of action. Until this is accomplished these fragments lie around as John W. Gardner has put it, "like loose bricks in a brickyard".
>
> Furthermore, when social scientists have been called upon as consultants in practical situations, many have failed to deliver. Two general complaints have been voiced about social scientists as consultants. First, communication has been impeded because social scientists speak in a jargon incomprehensible to the layman. Social scientists are ordinarily able to translate their own technical language into terms more understandable to a layman, and should make more of an effort to do so. But the problem is partly due to the layman. He is often unwilling to make any effort to learn concepts—and the technical language—of those he consults.
>
> Social scientists fail to meet demands on them in a second way. When faced with a specific problem that has no ready-made conceptual answer, they frequently retreat to the laboratory for more research and more facts. But the client would ordinarily settle for less than a scientifically adequate answer. He simply wants the consultant to apply this trained intelligence, and give help based on the information on hand. When the consultant tells him he has formulated his problem in such a way that advice is impossible, too often the client retreats to his office. And often any reformulation the consultant suggests is ignored, to the detriment of communication between them.

The Commission identified five major obstacles to the effective implementation of social science recommendations and they list these as:

1. Lack of clients. In other words, lack of people who are prepared to employ trained social scientists and use them in finding solutions to social and political problems. This is important in terms of what is happening in our universities today when students are flocking to the social science fields and we will not have jobs for them unless we act quickly.

2. The distinct roles of social scientist and policymakers. Here they go on at some length to discuss the role of the social scientist in preparing the necessary background information on which the policy-maker and the decision-maker must make a judgment. Too often the recommendations of the social scientists have been put in such a form that it has been very easy for the more practical policy-makers to reject them as being impractical.

3. Implications that threaten the *status quo*. And I can hear some of the objections that

will be made to Senator Roebuck's speech this afternoon, because what he stated does imply a challenge to the *status quo*. Naturally, the social scientists are interested in exploring those areas in their society where there is an obvious maladjustment from which the sources of discontent arise. In the United States it is the unrest among the negroes in the ghettos. In many countries of the world today the subject of pollution of the environment is a natural area in which the social scientists must be concerned and where he can perform a useful function, but his function in gathering the facts and the reactions of people can only be applied by the practical businessman, the politician and the community leader.

In all cases in this area the social scientist is concerned with digging out the basic causes of unrest and this involves a change in the *status quo*. Whenever any group of people pose a threat to the *status quo*, it immediately becomes an emotional issue and people whose personal interests are disturbed by a change in the *status quo* will naturally always react negatively. Thus the problem of communication becomes one of major importance in this area because it is essential that people understand not only what is involved in the causal factors of unrest, but what is involved if we do not take the steps to correct the situation.

The fourth limitation on the utilization of social science information is the financial one. Obviously, if studies are to be carried out in problem areas on a scale adequate to meet the need, it is going to be very costly. Universities and institutions have not had the kind of funds necessary to any more than scratch the surface of some of these problems.

The report says in the section on this particular area:

> In the marketplace of competing interests new public programs will obviously meet least resistance when they are to be financed from normal increases in government receipts, materializing without changes in tax rates, and not endangering current levels of support of other programs. Public programs that require higher rates in existing taxes, and cut into the resources of existing programs, will be resisted. The extent of opposition can be expected to be most strenuous, when a specific group of taxpayers believes its taxes will be earmarked for the benefit of others.

The fifth obstacle to the utilization of social science information is the political process itself. Here again the report goes on:

> Finally, the implications of social science findings must compete in the political area for implementation... Social change—whether arising from social science knowledge or from some other source—threatens to erode the political power of one or another individual or group, not interested in sharing or giving up the political position already held. Whether or not the nation will use the social sciences in a given instance depends upon the outcome of the political competition among different vested interests, with all their degrees of approval and disapproval toward any matter at issue.

And in a final paragraph, the report continues:

> The aim of the social sciences—in common with all sciences—is to seek knowledge and provide understanding, not to determine the nation's values. This is an important point. When social science knowledge contributes to the improvement of social programs that flow from widely shared values, there is little likelihood that political controversy will occur. But when social science knowledge suggests that values should change, or that implicit values should be examined and made explicit, political controversy will almost surely arise.

This is an excellent summation of the situation we face today with respect to the major problem areas in our country and in others. In other words, wherever you go today there is discontent—discontent in the universities; discontent among the have-not groups; among the negroes in the south; discontent in French Canada, where there is feeling, rightly or wrongly, that they have been deprived of economic opportunities; discontent over the regional disparities in the distribution of opportunities for equality of access to the nature's resources; and discontent in the developing countries where they see the gap between the developed nations and the developing nations becoming wider and wider in spite of the fact that the developed nations have been pouring hundreds of millions of dollars per year in the form of aid into the developing countries.

All of these areas of discontent suggest that there is a basic malaise in our social system and the only way we can proceed to

solve it in a rational manner is to use more resources in support of social sciences, in support of studies and surveys and analysis, in order to arrive at the facts of the situation. But the social scientists must not be permitted to work in isolation. They must work in close co-operation with the people who will be charged with the implementation of whatever recommendations come out of the studies. In other words, if we are to succeed in bringing about the necessary social changes that obviously will have to be made in our society, it can only be done on the basis of a wise combination of theory and practice, and no matter how good the theory may be it is not going to succeed unless it can carry along with it the support of the practical men who have to face the realities of the situation and balance the pros and cons in the day-to-day operations. This brings us to the role of the university administrations themselves. In my judgment, too many universities have been complacently concerned with preserving the *status quo* in a day when the *status quo* is no longer adequate. They have made the conscious decision to fill the classrooms with inadequately trained teachers rather than close the classroom down. It is a tough decision but one which I think will have to be made. As a consequence, they have too many teachers who cannot communicate with the students, who cannot communicate with the industrial and technological world which is shaping the lives of their community. Thus we have a revolt on the one hand against the use of technology, as I indicated earlier, and the feeling that some university administrators have been abandoning their responsibility for giving leadership in the institutions in which they are concerned.

The theory has grown on many campuses that we must have participatory democracy on the campus and that the decisions which must be made with respect to the administration must be collective decisions. So we are witnessing the demand for faculties to have a larger say in the administration of the university. We are witnessing the demands of students to have a larger say in the administration of the universities and selection of the faculty.

Let us examine this for a moment and take the students first. I think I was probably one of the first students in a university in Canada to be appointed to a university Senate in my capacity as president of the student union. I sat on the university Senate for a number of years and it was an interesting experience. I am sure that I did not contribute any great wisdom to the collective decisions taken there, but at least I learned something about the background of university decision-making. I have always believed that students should have a place on the university Senate, on the Board of Governors and, possibly, on the Faculty Council. I believe this, but not because I think that the students have a great deal to contribute to the deliberations of these bodies. They cannot, because they have not had the experience of life which would enable them to contribute a great deal. However, it is extremely important that students be on these boards as a means of effective communication. In those cases where the students, as the consumers of the educational product, can demonstrate that what they are getting is an inferior quality of education and that their time is being wasted, they do have a right to speak. But the most important result of having the students participate in the decision-making bodies is that they may learn something of the problems in the administration of the multi-million dollar educational institutions And if they are effective as representatives of the student body, in turn they can communicate the various facets of the problem to their fellows in the student organizations. In other words, by having student participation, you get a better understanding between students and faculty and students and administration.

Unfortunately, there are some university administrators who have said, even today, that they will not tolerate having students appointed to the Board of Governors or to the university Senate or to the Faculty Councils. On the other hand, there are some students who have portrayed in an abject way their incompetence to make any contribution to this kind of decision-making body.

When students invade the Board of Governors' meetings, as they did at McGill last fall, and use insulting and obscene language, as they did, they are certainly not contributing to the welfare of the university or to their own welfare. I am convinced that students, or whoever it may be, who have to resort to obscene and foul language and rudeness and uncouth procedures do so because they have nothing to say. They have nothing to communicate, so we can write them off without too much consideration.

It is rather interesting to any observer of the current scene to see this dissident hippy or activist faction in the universities going about their grubby, smelly way and who, by the very nature of things, could not contribute to the running of anything. If we needed

an example of what can happen when a group such as represented by the typical great unwashed of the student activists are concerned, we have only to look at the shambles they made of Rochdale College in Toronto. Here they had an opportunity to demonstrate what they could do and, as one might expect, they made one unholy mess of it.

Hon. Mr. Sullivan: They did nothing.

Hon. Mr. Cameron: This, in spite of the fact there were some people in that establishment who were idealistic and who were trying to apply the principles of co-operative development to the provision of student accommodation.

University administrations have brought some of the discontent on themselves because they have been afraid to make the necessary tough decisions which have to be made in the academic climate of today. After all, the president of the university, the chairman of the Board of Governors and the members of the faculties of these organizations are only stewards responsible to the people who are paying their salaries, and they are much more responsible to the people than they are to any minority group of dissident students. In all too many cases they have been wishy-washy and have failed in the discharge of their duties because they did not want to make the tough decision that had to be made.

For all too long, university administrations have been content to carry on, offering subject matter that is no longer relevant, and offering laboratory courses that are time consuming and whose content could be mastered in a tenth of the time more effectively on the job.

In other words, there has been a separation from reality in too much of our university teaching, and it is encouraging today that many of our universities, and particularly some of the newer ones, in the fields of engineering in particular, have made it part of their teaching program to have students spend some time in the plants and industries in the areas surrounding them.

The University of Waterloo is a good example. Memorial University in Newfoundland is doing the same thing, and an increasing number of universities are placing greater emphasis on the necessity for the student to combine theory and practice in the course of his training program. But this idea has to spread to much more than just the engineering fields. It has to spread particularly to those increasingly important fields of the humanities and social sciences, and this involves a new look at where we are going in education.

To give one example of a problem that is going to challenge the best brains and resources we have in our society today, take the case of pollution of our environment and what is happening to it: pollution of water, pollution of air, pollution of noise—the results of the concentration of people in huge urban sprawls. Take the situation in which people are spending three to four hours a day travelling to and from work, in which they are living in crowded quarters in an environment which makes little provision for the amenities of recreation and social life, and in which we are doing relatively little in trying to adapt to the new realities of living in an urban society.

Here is a tremendous laboratory in which sociologists and psychologists, economists and engineers must work together in trying to find adequate solutions. But lest we think that all the fault lies with the universities, I would say that there has been a breakdown in leadership in governments as well.

Members of the Senate Committee on Science Policy have for the past eighteen months been making an intensive study of our scientific effort in Canada, and if there is one thing that stands out loud and clear as a result of these investigations it is that there has been relatively little leadership given in mobilizing the resources of science and technology for definite national goals in this country. It has been documented time and again that there has been relatively little communication between scientists working in related fields in departments of government; that there has been little communication between the universities and government departments engaged in the same area; and that there has been little communication between some of the sponsors of scientific funds and the universities who are spending the funds.

In other words, there has not been in all this time an attempt to provide an inventory of what the $1 billion in research and development in Canada last year was spent on; and up to this time no one has been able even to suggest what has come out of these expenditures of funds. I have suggested on a number of occasions that not only do we need an inventory of the scientific projects that are going forward in Canada at any one time, but that we should have a frequent audit of the results of the expenditures. In other words, what are we getting for our money? Yet, there are many scientists, and

particularly those in universities, who say that even if we thought of having an audit, it would be interference with their academic freedom. This is complete tommyrot.

Today we are at a stage in our development where science and technology have become so important to the welfare of the nation that we must establish a reasonably accurate inventory of what the money is being used for. We must establish an audit of what is coming out of the expenditure of money, and we must do this simply because we have not enough money to do everything that people would like to do. In other words, we have not the resources of scientific and technical manpower sufficient to meet the needs. We have not the resources of laboratory space and scientific equipment, and so it becomes a matter of plain common sense that we must establish priorities.

Some academics and some scientists not in universities will resent the establishment of priorities if their particular pet project is not included, but this is inevitable. We must establish national goals of science policy for this country. Other countries are concerned with the same thing because science and technology have become too important to be carried forward on the laissez-faire basis, as has been the case in the past. Science and technology have become too important for us to permit a lack of communication to continue any longer between government departments and agencies, between government agencies and industries, and between universities and industry.

In defence of the laissez-faire attitude, there are many scientists who are holding up their hands in holy horror that anyone should have the temerity to suggest there should be an audit of what comes out of the expenditure of funds. They go to great lengths to point out that many of the great scientific discoveries have come out of unplanned and empirical scientific research. This is true, of course, and in the establishment of any national science policy we must be prudent in seeing that there is an area in which the scientist will be free and have the funds necessary to give free rein to his imagination and to explore the unknown.

Saying this in no way obviates the desirability and, in fact, the necessity of establishing priorities. If we consciously set aside a portion of our national budget for free experimental basic research we are providing the freedom of action that is necessary. However, I do not think it is asking too much to say to the scientists who would be working in this field that we want to have some idea of what they are trying to do, and what comes out of it. The fact that the result of some years' experimentation may be completely negative is, in the scientific field, not necessarily a waste of money. The fact that what seemed a promising avenue of productive research turns out to be negative is not necessarily a waste of funds, because we will have demonstrated that that particular alley was a blind one.

In other words, it is to the scientist's own advantage if there be a much more complete degree of communication than has been the case in the past.

We have recently had the report of the Task Force on Information, and we hope that out of this will come a more effective program of communication of the national goals and aspirations of our people than we have had in the past. We have, in the National Film Board and the Canadian Broadcasting Corporation, two instruments of public communication which can be used to illuminate the national goals of this country in science and technology and the humanities, and in the problems of an evolving society in which the resources of education are used more effectively than we are using them at the present time.

The National Film Board did a magnificent job during the war, and the C.B.C. did likewise, but today there is a feeling that because we may not have defined as clearly as we might the goals of national policy for the National Film Board and the Canadian Broadcasting Corporation, there has been some distortion of the objectives, and these splendid instruments of public policy have been somewhat less effective than they could be.

How often do we hear today of the work of the National Film Board in terms of its contribution to the illumination of the problems of science and technology? Who hears of it in terms of its use to educate people as to what is involved in the problems of pollution, whether it be water, sound and air, or the problems of overcrowding in our cities? Who has seen very much come out of the C.B.C. in terms of national objectives? Both the National Film Board and the C.B.C. have made some valuable contributions to the understanding of Canada and its problems, but it seems to me that they could do a great deal more if, as instruments of public policy, they were used more directly and effectively in dealing with problems of human concern.

I am concerned about the remark of a highly placed officer in the National Film Board who said recently that he was sorry the Board had not developed enough expertise to make a film like the Swedish film *I am Curious (Yellow)*. Honourable senators, can you imagine this to be an objective of a national public-supported entity such as the National Film Board?

The same situation is true of members of Parliament. In recent years the backbenchers in Parliament have become frustrated and disillusioned because they have felt that they have not been as effective a part of the Government as they should have been, and that they have not been able to make the contribution to society that they might have made. Fortunately, as a result of the revision of the rules of the other place during the last session, there is some hope that there will be a more businesslike approach to the business of the nation, that the Cabinet will function more as a board of directors than has been the case in the past, and that the line members of the parliamentary machine, the backbenchers, will be able to play a more effective role and feel that they have an important part in shaping policy and in the decision-making processes of government.

In recent years the institution of Parliament itself has come under increasing criticism, and the public at large has been concerned about what it considers a waste of time and the dilatory progress in getting the nation's business put through the parliamentary machine.

Two illustrations from the past session of Parliament demonstrate what I mean. First of all, I refer to the filibuster by seven Creditistes who for two weeks held up the business of the Government of Canada. Following that, there was a protracted debate on Rules 75-A, -B, and -C, and particularly on Rule 75-C. There was much repetition, and some Members of Parliament actually said that the imposition of a time limit on debates in Parliament was an abridgement of the rights of Parliament. They said this in spite of the fact that the Mother of Parliaments in the United Kingdom has operated under a similar rule for a long time, as has the Parliament of the Commonwealth of Australia.

In other words, it has been accepted by these parliaments that if the government of the country is to function effectively there must be some limit to the amount of time that can be given to repetitious, and often uninformed, debate. After all, any government, regardless of its strength, is expected to get the Queen's business done. If, under our democratic system, we find that the new rule does not work satisfactorily, then we have the freedom to change it.

Time and again during these discussions last winter I checked with people in whose judgment I have reason to place confidence—people in all political parties—and I know from the response I had that the reaction of these people was that this was just a waste of time. In other words, these two illustrations serve admirably to show that there was a breakdown in communications between the Government, the peoples' elected representatives, and the people who sent them to Parliament.

To go into another sphere which is of concern to everyone today, let me discuss for a moment the role of the trade unions and the right to strike.

We have had in the last three years two strikes by the postal service, which struck at the very heart of the people's convenience and their right to service in this country. The last time there was a strike for three weeks, and there are rumours today that there may be another one.

During the past two years we have had three strikes in the airlines which gravely upset the business of this country, greatly inconvenienced thousands of people, cost hundreds of thousands of dollars in added expense and inconvenience, and generally snarled the business of the country.

In the first case this was caused by 4,300 airline mechanics who tied up the national airline completely. They not only caused inconvenience to as many as 18,000 Canadians per day, but they caused thousands of their fellow employees to go without pay cheques. Then, as recently as the first week in October, when 120 electronic technicians went on a wildcat strike, they seriously discommoded thousands of people. This kind of irresponsible utilization of the strike weapon is not democracy; it is anarchy.

We have in the City of Ottawa at the present time negotiations going forward with respect to the police department, and the police are talking about going on strike. We had the example of the utterly irresponsible and absurd situation in Montreal on November 7 when the police force there went on strike with disastrous results for all to see.

Let me say at once that I am one of those who believe that the right to strike in any form of the public service, where the welfare of thousands and thousands of people is going

to be seriously and adversely affected, should be removed. However, if the right to strike is to be removed from people employed in the public service, the postal service, the police, hospitals, transportation, and other services, it is imperative that the people of Canada make doubly sure that these people can obtain justice. As a matter of fact, the employees of many of these agencies to which I have referred, who have gone on strike and caused such disruption to the business of the country, have not had justice. If we examine the records of the postal workers, the police and the longshoremen in Montreal, and many others, we find that justice either has not been done or it has been too long delayed.

In the case of the police in Montreal, as in the case of the postal workers, they had been putting forth their grievances to the public officials in the responsible departments for months and years without getting any action. When it came to negotiating new contracts, the negotiations dragged on and on for months on end. So, I have a lot of sympathy for the postal workers and others who have been so frustrated that in their desperation they decided there was no other way of having their grievances dealt with than by going on strike.

When we come to the airlines we have the same situation as we do when we come to the police in the City of Ottawa, where negotiations have been going on since last March. There is much to be said for the dissatisfaction of these employees when it takes months, and sometimes years, before any attention is paid to their grievances.

In other words, the causal factor in many of these strikes comes right back to the public servants employed by the Government of Canada, or by the municipalities. It is high time that the dilatory tactics of these public servants, which has resulted in the dragging out of these negotiations for weeks and months, should be brought to an end.

Some of these people are completely divorced from reality. There has been a breakdown in communication in an area which affects us all. It is high time that we took a new look at the rules by which our economic activities are governed. In this respect, while I am critical of the public servants who carried on the negotiations with these particular segments of the public, I must also say that a large measure of responsibility falls on the shoulders of the leaders of the trade unions of this country. We have nearly two million people who are members of trade unions in Canada. They have performed a vitally useful function in the industrial development of this country and should receive full credit for it. At the same time, there is no shadow of doubt that some of these people have not been exercising responsibility concomitant with the power they occupy in the community.

In other words, power must carry with it responsibility commensurate with that power. There is a need today on the part of the trade unions, both rank and file, but particularly on the part of leadership, to inform themselves and train themselves so that they have a more realistic grasp of the importance of their role in the total economy of the country.

Labour and management must work together for the benefit of the people as a whole. If they do not, all we can have is chaos and ultimately anarchy. No one would deny the important role of the trade unions in our economy. Certainly they have made an important contribution to the welfare of the country but there comes a time when, if the word democracy is to mean anything, it must mean that a small and irresponsible minority, regardless of the provocation, cannot disrupt the economy of the whole country.

Again I want to emphasize that if we remove certain rights from people employed in the public service, then we must be doubly sure that efficient and effective machinery is established which can make equitable decisions in a reasonable period of time.

There is no reason in the world why management and labour should wait until a contract runs out before starting negotiations on a new one, yet this happens time and again. Again it becomes a matter of effective communication. It becomes a matter of the effective exercise of the rights and responsibilities of democratic society. Unless we, the people, communicate to those people in positions of responsibility regardless of whether they be in government, industry or labour, we are falling down in our responsibility as citizens and we must share the blame equally with them for any disruptions which may take place.

Finally, and in conclusion, I suggest that if we are to move forward in the development of an enlightened Canadian society, we must re-examine our national goals of public policy, of communication and of education. I come back to something I said earlier, that two sections of our society are today saying that our educational system is irrelevant in terms of the realities of today's world. One section is the hippies and the discontented

among the bright young people coming out of our schools and colleges. The other is the businessmen, industrialists and the research directors in industry who are saying that much of our education is irrelevant to the needs of industry.

Our educational authorities, whether it be at high school level or at university level, cannot ignore this groundswell of criticism that education for the *status quo* is no longer good enough for the technological age in which we are living. It is being seriously suggested that education as it is being practised has not adapted to change with the speed which is necessary and desirable. Too much deadwood is being retained in the curricula of our schools and colleges. Too many outworn and outdated methods are being used, and insufficient use is being made of the modern tools of communication.

Secondly, we must forget about shortcuts. A lot of the cults we have in education today—the people who go off the deep end in group dynamics, group thinks and so on—are very often the people who have taken a good idea and tried to build it into what they consider to be a shortcut to Utopia.

The experience of history has long determined that to achieve perfection in the world, or in a profession, or in the development of a skill, teaching in a university, or administering an industrial complex, there are no shortcuts to success. The top leadership in the arts, in business and in government are always the people who have devoted themselves with dedication and long hours of work to the perfection of their craft. The days ahead must be days of total education and total dedication. Continuing education has become a full partner with all other forms of education—elementary, secondary and university and post-university.

Today we must be as concerned with the dropout who has a PhD. as with the dropout who has a Grade VII education. They each must have the opportunity and responsibility of going back to school if they are to be able to keep the pace and to make their proper contribution to society.

Finally I say that the goals of education for today's generation must involve:

1. A re-examination of our ultimate goals. What do we want from our educational system? What do we want from society and what do we need?

2. It must involve the stripping away of some traditional curriculum content and its replacement with material that is more relevant to the age of space and interdependence of nations.

3. It must use the modern tools of communication at every level, elementary, secondary and adult.

4. It must be concerned with the establishment of ever-higher standards for those teaching in our schools and colleges.

5. It must be concerned with insuring that the course content being offered is relevant to the time and to the profession of the individual's choice.

6. It must be concerned with priorities in the utilization of resources. Which is more important, a swimming pool or a physics lab?

7. It must anticipate not only the needs of today but it should imaginatively try to anticipate the needs of tomorrow.

8. It must, above all, challenge the students with programs that stretch their minds and discipline their bodies.

9. It must teach people not to be afraid of new ideas and new concepts.

10. It must put more emphasis on initiative and entrepreneurship.

11. It must encourage and develop our schools and colleges as centres of excellence and not of mediocrity.

12. It must teach people how to live in a global society in which the resources of leadership, of skills, of communications and of material things are mobilized for the common good.

If we do these things, our way of life may survive. If we do not, history has a way of repeating itself and our way of life will give way to those who pursue their goals with more dedication and vigour.

Hon. Mr. Sullivan: Might I ask Senator Cameron a question in view of the fact that he has taken the name of the University of Toronto in vain? He being a professor in the arts and humanities, I would like him to help me as an academic and former professor in medicine to form an opinion as to why it is that the dissident elements in university life are among the social scientists and their academic staff? You do not find them in medicine, engineering, law, dentistry, nor commerce and finance.

Hon. Mr. Cameron: It is a very good question and one which a lot of people are asking. My answer is that in the professional schools the students are kept very busy working towards definite goals in which they see what

they are going to do at the end of their career. In the arts and the humanities, particularly what I call the undisciplined disciplines—

Hon. Mr. Sullivan: Sociology.

Hon. Mr. Cameron: Sociology is the worst offender. The people teaching in sociology have so far not evolved a methodology which is effective. They are not clear in their goals. As I emphasize in this paper, they have shied away from being associated with the people who have to implement their recommendations. It is all theory and little practice.

Hon. Mr. Burchill: I was very much interested in what Senator Cameron had to say about the teaching staffs of universities today and of the foreign element on those staffs. Are the professors available here in Canada?

Hon. Mr. Cameron: No, they are not. The reason is that we have not given the necessary priority to training Canadians to fill this gap, yet the students are flocking into this area in unprecedented numbers.

We therefore have two problems. We have not the quality of staff in Canada to teach them; we are not getting enough good teachers from other countries to teach them, because you cannot teach effectively in this field unless you are familiar with the history, background and traditions of our people. No foreigner, regardless of how competent he may be, can do this without a lot of experience. With the large number of students coming into the humanities, we cannot see the jobs for them in the immediate future unless we are prepared to increase greatly the amount of money we devote to research, surveys and studies, particularly on pollution, which is a good example. With all our good laboratories, we have the biggest challenge of all times to face. There must be a multi-disciplinary approach, but we have not got the trained people to do it.

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

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

BILL TO AMEND—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-6, to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments.

[Hon. Mr. Cameron.]

He said: Honourable senators, because of the hour I will tonight make my remarks by reference. This bill is the same as the one that was in this house on May 8, when at page 1412 of *Hansard* I made a speech on second reading. I would ask all honourable senators who are interested in refreshing their memories to refer to that speech.

Since that bill passed this house there have undoubtedly been representations made to departmental officials, and departmental officials themselves have learned from their own further studies of certain omissions, oversights and technical errors in the original draft, namely, thirteen in number. These are of no significance to the policy of the bill, and honourable senators who may wish to inquire into them will have available in committee the expertise of the departmental officials involved.

I will only say generally that this is a significant piece of legislation, broadening and expanding the powers of insurance companies in accordance with the demands now being placed generally by the public upon trust companies, insurance companies and loan companies to provide a proper and more adequate service, in keeping with present-day financial requirements, which these companies have in the past been unable to perform because of the limitations and restrictions placed upon them through the statutory instruments under which they operate.

I would only say as a personal reference that notwithstanding that, I understand the insurance companies endorse all of these amendments, to the extent that they accept their powers and permit them to operate with slight variations—and I say slight because of the broad scope—from the present activities. As I understand it, they thoroughly endorse these things and welcome the initiative of the Government in bringing them forward. What does strike me is that contained in this legislation are massive further controls, arbitrary controls, placed upon these companies to be exercised by the Superintendent of Insurance. I think that by and large, in view of the atmosphere in the financial community that we have experienced during the last few years, these are necessary and desirable.

What does rather astound me—and I think to some extent it reflects on the vitality of our financial community today—is that I have heard of no objections to these additional restrictions coming from the institutions them-

selves. I say that without comment. I do not know why they have not come forward. Normally, in an atmosphere like this it would be thought that these restrictions on the freedom of their activities would receive a far heavier scrutiny by the industry. They seem to be accepting them, and in return they are endorsing the restrictions on their freedom. Overall, and bearing in mind the recent history of financial institutions in this country, these developments, both restrictive and mandatory, are necessary and desirable now, and I commend this bill to honourable senators for their favourable consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

FOREIGN INSURANCE COMPANIES ACT

BILL TO AMEND—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-7, to amend the Foreign Insurance Companies Act.

He said: Honourable senators, as you may recall from last spring, this bill applies exactly the same provisions to foreign insurance companies as Bill S-6, with which we just dealt, makes applicable to the Canadian and British Insurance Companies Act. My remarks on one are equally applicable to the other.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 19, 1969.

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Statutory Orders and Regulations published in the *Canada Gazette,* Part II, of Wednesday, November 12, 1969, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette,* Part II, for the period January 1, 1955 to September 30, 1969.

Supplementary Estimates (A) for the fiscal year ending March 31, 1970.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-2, to amend the Quebec Savings Banks Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-6, to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FOREIGN INSURANCE COMPANIES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-7, to amend the Foreign Insurance Companies Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

TRUST COMPANIES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-8, to amend the Trust Companies Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

LOAN COMPANIES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-9, to amend the Loan Companies Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE ESTIMATES

SUPPLEMENTARY ESTIMATES (A) REFERRED TO FINANCE COMMITTEE

Hon. Leopold Langlois, with leave of the Senate, moved:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (A) laid before Parliament for the fiscal year ending the 31st March, 1970.

Motion agreed to.

TAX REFORM

WHITE PAPER ON TAXATION REFERRED TO COMMITTEE

Hon. Paul Martin, with leave of the Senate, moved:

> That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and report upon the White Paper entitled: "Proposals for Tax Reform", prepared by the Minister of Finance, and tabled in the Senate, on Tuesday, 18th November, 1969.

Hon. Daniel A. Lang: May I direct a query to the Leader of the Government? Is this to be an inquiry in addition to or in lieu of what I understood was to be an examination of the white paper by a joint committee of both houses?

Hon. Mr. Martin: In answer to a recent question put by the Leader of the Opposition, I explained that it was not intended to proceed by way of a joint committee as had been proposed and voted on in the last session of Parliament. It is now proposed that the white paper be referred to a committee of this house. There is a similar proposal in the other place, that it be sent to a committee of that house.

Hon. Walter M. Aseltine: Honourable senators, I think this is a mistake. I am very much in favour of a consideration of the white paper by a joint committee of the Senate and the House of Commons, and I had intended to speak to that point later this afternoon. This motion has taken me by surprise. We have in the Senate a number of senators who are experts in tax matters and I would like to see a joint committee set up with ten of those senators as members of that committee. I think a better study would be done by a joint committee than by separate committees. There would be less danger of duplication and less difficulty in the examination of witnesses. For that reason I am opposed to this motion.

Hon. Mr. Martin: I am sure there are two views on this question. That was the view maintained at the end of the last session. It will be recalled that the motion to establish a joint committee was made in this house and sent to the other place. However, with the commencement of a new session it was decided that in the other place the matter would be referred to a committee of that chamber. As a result, this motion is now before us. It is the only course that could be taken.

Hon. Arthur W. Roebuck: Honourable senators, may I briefly express a view which I regret is a little contrary to that of my friend Senator Aseltine. We have had some experience with joint committees, and the old principle stands, that when you have a large committee you dilute the individuality of the report.

The Senate is a different type of house from the Commons. We are different in our personnel, in our origin, in our responsibilities and in the view that the nation takes of us. I would like to see our personality and our individuality maintained. Our view of this document may be vastly different from that of those who form the membership of the other house. I would much prefer that we take our own view of this matter and bring in our own report. It is much simpler to manage a committee of our own house than it is a joint committee. Our report is very much more likely to be incisive than if we dilute our thought with that of those who are not members of this chamber.

I would rather that we take our own responsibility, express our own opinions and bring in a report that is a Senate report, and not a diluted finding of both houses.

Hon. Jacques Flynn: Honourable senators, I am not taking sides. I think it is quite obvious that the Government would have preferred a joint committee. Even if in a joint committee the voice of the Senate could not have been heard as clearly as in a Senate committee, I think it would probably have avoided duplication. However, it is quite evident that the Government does not feel it can proceed with a joint committee. This, I suspect, is due to some criticism made in the other place at the end of the last session, of

the Senate membership of the joint committee.

In this respect I want to put on record that I completely disagree with the criticism which was made at that time. To me, it is foolish to criticize the selection of members who know something about taxation, whether because they pay high taxes themselves or because they are connected with corporations which pay enormous taxes.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: It is stupid to say that they are prejudiced and not capable of expressing impartial views in such a committee. I could suggest that one who pays little tax would be more prejudiced and less able to give a truly impartial view.

In any event, I suspect that the decision which is now being taken is a pragmatic one and, in the circumstances, we have to accept it. However, I have put on the record my own feelings in respect of the criticism that was made of the members of this house who were selected to serve on the joint committee last session.

Hon. Mr. Martin: Honourable senators, I fully agree with what the honourable Leader of the Opposition (Hon. Mr. Flynn) has said, and I have already said this publicly.

Motion agreed to.

JUSTICE

COMBINES INVESTIGATION OF PUBLISHING BUSINESS IN NEW BRUNSWICK—INQUIRY

On the Inquiry of the honourable Senator Haig:

1. Under what section of the Combines Investigation Act was an inquiry instituted into the publishing business in New Brunswick?

2. Who submitted the complaint and on what date was it submitted?

3. What action has been taken to date and by whom was such action taken?

4. Has the inquiry been completed and, if not, when is a report expected?

Hon. Paul Martin: Honourable senators, I had hoped to be able to give an answer today to the inquiry of Senator Haig, but the Minister has asked for further time. I will table his reply as early as I can.

Hon. Mr. Haig: Thank you.

[Hon. Mr. Flynn.]

PRIVILEGE

REFERENCE TO DOCUMENTATION OF AUTHORITIES IN THRONE SPEECH DEBATE

On the Orders of the Day:

Hon. Paul Yuzyk: Honourable senators, before the Orders of the Day are called I should like to rise on a question of privilege, respecting the introductory remarks to the fine speech made by Senator Cameron, wherein he stated the following:

> Not being an historian, I wish Senator Yuzyk had documented a little more clearly the authorities he quoted. It is true that he referred to a number of eminent persons, but I would like to refer back to the documents in which their pronouncements were written, because I think it is important that we be able to evaluate the sources of any statements made.

I can readily understand the concern that Senator Cameron has for sources, and I am very glad that he brought up this matter, although it may appear to some to cast a certain aspersion upon me. However, I can document all of the quotations I used in my speech yesterday. Some I have documented as recorded, and the others I can document. I am willing to supply the sources to Senator Cameron or to anyone else who is interested.

As an historian, I would not dare to make statements, or to use quotations, unless I was sure that the sources were reliable. I assure honourable senators that I have worked on these sources for a number of years, and I can back up all of the statements I have made. Moreover, I can present a list of sources to anyone who would like to delve more deeply into this whole problem. In general, if there are other senators who are interested in this topic of what I call the Soviet subversion of the United Nations, I recommend the following two books, which are available in the Library of Parliament: *The Fearful Master*, by G. E. Griffin and *None Dare Call it Treason*, by John A. Stormer.

Hon. Donald Cameron: Honourable senators, may I assure Senator Yuzyk that in raising the question I had no intention of casting aspersions on him as an authority. As one who has had fairly thorough scientific training, I have always been very careful to make sure that documentation of this kind is acceptable to anyone who wants to read it. Because of the importance of the subject with which he was dealing, it occurred to me that

some of us might like to have the ready reference from him so as to be able to follow it up.

Hon. Andrew Thompson: Honourable senators, I appreciate, as I am sure all of us do, the very lucid, objective and interesting discourse that we heard from the honourable Senator Yuzyk. I know that as an historian of note he has an objectivity with respect to the remarks he made.

I should like to mention one point which perhaps I did not understand correctly. Having read a number of the UN speeches by government representatives of either party, I think this question of the role that Canada and its representatives have played in the UN in speaking out against Russian imperialism transcends party politics. I may be mistaken in this, but I understood the honourable senator to say that the first speech against Russian imperialism in the United Nations was made by one particular prime minister. Having done some research in this, I know that former Prime Minister Lester Pearson has been called a mad dog of American imperialism by Andrei Vishinsky. The Honourable Paul Martin has made a number of speeches denouncing Russian imperialism and has also suffered the indignity of being denounced by the representatives of the Soviet Union.

I am sure that this was not an impression that the honourable senator intended to create, and I want to make it clear that perhaps I had a false impression from listening to him.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

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

Hon. Walter M. Aseltine: Honourable senators, I concur in the introductory remarks of previous speakers about the mover and seconder of the Address in Reply to the Speech of the Governor General, our distinguished Speaker, the House Leaders and others. On that account I will refrain from adding further congratulations of my own.

Hon. Mr. Martin: Will the honourable senator permit me to congratulate him on having recovered from his very severe illness last summer, and being present in this house, looking fit and ready to make a fighting speech.

Hon. Mr. Aseltine: I thank the Leader of the Senate very kindly for those pleasing remarks.

Hon. Mr. Martin: You cannot be too hard on us now.

Hon. Mr. Flynn: Don't count too much on that.

Hon. Mr. Aseltine: After listening to three major speeches on the motion for an address in reply delivered yesterday, I feel honourable senators will consider my remarks this afternoon to be of a more or less down-to-earth variety, because I will speak as briefly as I can on agriculture, which was referred to shortly in the Speech from the Throne—just one paragraph, which I will not now read.

I was very much impressed by the speech of Senator Argue about the crisis in agriculture in Canada, particularly in the Prairie Provinces. He said there was also more or less a crisis in Eastern Canada, but he did not deal with that question, and as I am not fully acquainted with it, I will not deal with it either. He emphasized time and time again in his speech the seriousness of the situation in Western Canada. After his speech, I was asked by some honourable senators in the lobby if some of the statements made by the senator were not at least slightly exaggerated. I replied that he certainly was not exaggerating anything, because in my opinion there is a real crisis, which has been building up for some three years and the prospect of improvement in the near future is not very bright.

Had I known in time that there was to be a full-dress debate on this question in the other place yesterday, I probably would not be speaking on it now, but having spent some time gathering together information I have decided to go ahead. What I wish to do now is develop and emphasize some other matters which were referred to by Senator Argue and possibly to add something to them.

In the first place, I wish to say that ever since the 1966 crops were harvested, wheat has been piling up, unsold, on the farms in western Canada. Many thousands of bushels are being held in storage on the farms right now. Every available building that will hold wheat is full. In addition, the farmers themselves have built many thousands of circular plywood bins, and these are full of wheat.

Some of these bins are covered but most are not. We also have thousands of piles of wheat lying on the ground, exposed to ruin by the weather. The reason for this, honourable senators, is that even though we had some wheat left over unsold from the 1966 crop, it was not a very large amount. However, the 1967 crop was a very big one, and the Wheat Board authorized a delivery quota of only six bushels to the specified acre. You can imagine how much wheat could be marketed on a six-bushel quota when you consider that the crop that year was in the neighbourhood of six or seven hundred million bushels. Again in 1968 we had a large crop of wheat, but the authorized delivery quota was only five bushels per specified acre; and in 1969 we had one of the largest crops ever grown and as yet there is no quota at all for that crop.

The elevators are full and, as I have just said, as yet no delivery quotas have been set up for the marketing of wheat this fall. Farmers are selling good wheat at 30, 40 and 50 cents a bushel for feed. The other day I was offered 50 cents a bushel for a 300-bushel truckload of 1968 wheat, to be delivered away out in the southern part of the province, some 200 miles away. It would take $50 to pay for the truck, and I would receive $100 net for the wheat.

Many people who are hard up for money and in desperate financial circumstances are disposing of wheat at these prices. Naturally, the farmer's share is getting less and less and all the time we are losing sales. Our sales are lagging and we are letting the United States, Australia and other countries outsell us on the markets of the world. What are the Government's intentions? What are the guidelines? Have any been set up? There are none that I know of. How do they propose to tackle the problems that exist? A Canadian Grain Council has been set up, but it has not done anything yet and I have little faith in it.

Another matter referred to by Senator Argue was the interest-free advances on farm-stored grain. Taxes on good farms in Saskatchewan are about $2 an acre. If a farmer has obtained an interest-free cash advance, when he takes a load of grain to the elevator—when a quota is set up allowing him to do so—they first take out one-half of the proceeds and send it to the Wheat Board to apply on the interest-free advance, and this was not mentioned by Senator Argue. But that is not all. If the taxes have not been paid, the municipality sends a notice to the elevator agent and he is obliged to take the other half of the proceeds of that load of wheat and forward it to the municipality to apply on the taxes. So the poor farmer gets nothing out of his load of wheat. That arrangement continues until the taxes are all paid and the interest-free loan is repaid. The farmers are subsisting on these loans they have been receiving. The loans are welcome, of course, but the farmers will never get anywhere carrying on in that manner.

Moreover, the value of farm lands in the West has gone down within the last year and a half by 30 to 50 per cent. I shall deal with that later. Retail business is also down from 30 to 50 per cent. Sales of farm machinery, farm equipment and farm supplies are way down. Most dealers are in trouble and many will be unable to stay in business. Unemployment is increasing rapidly. Farmers who have any money are caught in the cost-price squeeze brought on by inflation, a problem which was capably dealt with by honourable Senator Roebuck in his speech yesterday afternoon. Sales of motor vehicles are down to zero. Sales of consumer goods of every kind are way down. Farmers are generally good spenders, but when sales of wheat and other farm produce are down the farmers have no money to spend. As a consequence the entire Canadian economy will suffer, because most of the things that the farmer requires, such as household goods, furniture, automobiles, trucks, seeders, harrows, cultivators, radios, television sets, refrigerators and a host of other goods are manufactured in the east and shipped west for sale. The loss of such sales will soon become noticeable.

I have in my hand a clipping from yesterday's *Globe and Mail* entitled: "Trouble in East Predicted from Western Farms Depression." It reads:

> Special to the *Globe and Mail*
> Regina—All of Canada, particularly the East, may be in deeper economic trouble than it realizes because of the economic depression of the farm industry in Western Canada, in the view of E. K. Turner, president of the Saskatchewan Wheat Pool.
>
> Wheat exports in recent years have accounted for 42 per cent of Canada's foreign exchange earnings, Mr. Turner said in an interview. Because of the drop in wheat export sales this year, the earnings share has declined by half from the corresponding period last year. He gave no figures.

> Mr. Turner estimates that every dollar earned by wheat sales generates another $3 of gross national product. Some economists have put the figure at $6.

I will not read of the entire article, but it shows that the drop in income of the farmers in western Canada to practically nothing is already being felt in the East. The situation will get worse, I think, as time goes on.

In an ordinary crop year in the West, the wheat crop grown by the farmers constitutes a billion dollar increase in our national product. If it cannot be sold, it creates difficulties for everyone. I am sorry to report that, in my opinion, it does not look as if the situation will improve in the very near future. Solutions are not easy, but when the western Wheat Pool officials met the Prime Minister in July last they outlined a plan for short-term and long-term aid.

I have in my hand an article which appeared in the Saskatchewan *Business Journal* of October 17, 1969, entitled "Agriculture in a Crisis". This article sets out in detail the short-term and long-term suggestions which were made by the Wheat Pool officials and other farm organizations when they met with the Prime Minister. I would read first the short-term suggestions:

> 1. An immediate payment to grain producers based on 1968-69 cultivated acreage of $2 an acre up to $2,000 maximum.
>
> 2. Guaranteed floor price on export wheat of not less than the present International Grains Arrangement minimum of $1.95½ basis No. 1 Northern at the Lakehead.
>
> 3. Sales of all wheat for domestic human consumption from the Canadian Wheat Board be at a price of $2.95½ per bushel.

Then it goes on to state the long-term suggestions:

> 1. A four-year commitment by the federal government of $160 million in 1970, to be used for assistance, development and adjustment of the prairie farm economy. Further it was suggested that $120 million be provided in 1971, $80 million in 1972, and progressively lower, $40 million in 1973.
>
> 2. A capital fund in addition for purchase of small, uneconomic farms on the voluntary decision of the farmer.

According to Mr. Turner, President of the Saskatchewan Wheat Pool, Mr. Trudeau did not make any commitment on hearing these proposals, but he said that they had a good reception and they were optimistic that, when the Prime Minister had time to digest the proposals, some federal aid would be forthcoming.

All this relates to the speech which the Prime Minister made in Winnipeg with respect to it "not being his function to sell the wheat for the farming community".

As Senator Argue so clearly said, the Government came forward with certain emergency measures, as follows:

First, the continuation of interest-free cash advances on farm stored grain and on unthreshed grain lying out in the fields. There is some of that now in the northern part of the provinces of Alberta, Saskatchewan and Manitoba.

Secondly, a modified two-price system for wheat purchased and consumed in Canada.

Thirdly, promises to increase Canada's food-aid program by providing mostly wheat and/or flour to the value of $85 million a year, instead of the $65 million which we have been setting aside for the purpose.

Fourthly, supporting the Wheat Board's selling program to developing countries, making money available to take care of interest rates paid by the Wheat Board on credit sales made to foreign countries.

In addition, at those delivery points which had only been able to take a four-bushel quota last year, it was suggested that the crop year be extended long enough for them to market the other one bushel per acre.

Honourable senators, all of this was very acceptable and much appreciated, but in my opinion and in the opinion of the farmers of Western Canada, it did not go nearly far enough. They were emergency measures only, designed to meet the present agricultural situation. The *Western Producer,* a newspaper published in the Province of Saskatchewan and owned by the Wheat Pool, says that this does not make a wheat policy, that there are no guidelines for the farmers to follow.

It is true that we did diversify our operations to a certain extent. In west central Saskatchewan, where I live, practically every farmer, instead of growing all wheat as he had been doing in the past, grew a field or two of flax, a field or two of durum wheat—that is the macaroni wheat—a field of oats, and perhaps only one small field of spring wheat. That was a great help. In addition, by

summer fallowing more than usual, we are doing all we can to take care of the situation.

This article indicates further that the absence in a wheat policy of a reasonably guaranteed minimum price puts the Canadian producer at a serious disadvantage in a competitive world market, where every other country enjoys the protection of a guaranteed floor price. Actually, honourable senators, the selling of the farmers' wheat is the No. 1 problem and it must be solved if at all possible.

Honourable Senator Martin will know what I am referring to when I say that when George Hees was Minister of Trade and Commerce I thought he did a very fine job, particularly when he called to Ottawa all the trade commissioners from every part of the world where we had them stationed, and educated them on what to do and what we had to sell, and then sent them back. As a result, we sold a lot of wheat and a lot of manufactured goods. I think that is one thing that should be done right now without further delay.

This picture that I have painted, honourable senators, is a rather gloomy one. It is almost as gloomy as the picture that Senator Roebuck painted for us the other day when he was telling us about the effects of inflation and the value of the Canadian dollar. But in spite of what Senator Argue said and in spite of what I have said, I am not as pessimistic as some people seem to be.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Aseltine: I have lived in the Province of Saskatchewan since 1911. A number of times I have seen crops almost wiped out by drought. Other times I have seen unsold wheat piled up on the farms. But, eventually, whether it was on account of the war or not, that piled-up wheat disappeared; it found a market.

I have seen the price of farm land go up and fall back; go up again and fall back again. I have seen this happen five times during the time I have been there. But, eventually, the price seems to go high enough, and people think that that is what it is worth, and they are willing to sell their land to get some money to help them in their old age. However, when the value of farm land comes back to where it was a couple of years ago, which is its true selling value, I do not think any of the farmers will want to pay a big capital gains tax on the difference between the present value of the land and what it may be two or three years from now. They will object strongly to that.

In the meantime, while we are waiting for things to improve, and waiting for the Government to do something, I think that all we can possibly do is to tighten our belts, sow less spring wheat, sow more flax and oil seeds, and carry on as usual.

Some people say we should go into the cattle business on a big scale. The Saskatchewan government has made arrangements to lend money to farmers to help them build up a herd, but there are certain areas in the western provinces which are not conducive to good cattle raising. There is the water supply, for one thing; moreover, if all our farmers went into the cattle raising business, we would end up by raising enough cattle to supply the whole North American continent, and that would not be a good thing.

There are certain areas, such as the Rosetown area, the Kindersley and the Eston area, the Regina plains and the Moose Jaw area, where the soil is what is known as gumbo. The top soil in those areas is in some places 50 feet deep, and that land will be growing wheat when other areas which are not as suitable for wheat have been turned into mixed farming, including cattle raising, sheep raising and hog raising and so on. So I do not expect those good areas to give up the growing of wheat. I think that most of the wheat that we will be growing for export and for domestic use in the future will be grown in those areas, and the other areas will be used for general mixed farming.

Honourable senators, that is about all I have to say about the farming situation in the western provinces. I think it is clear from what I have stated that there is a crisis at the present moment, something that we will have to work out of by planning and doing things differently.

Honourable senators, I come back to the Speech from the Throne where I find the following passage, referring to the white papers which the Government is going to distribute:

> During this session a number of reports and white papers will be presented as part of a comprehensive revision of Government policy. You will thus be invited to examine the Government's findings concerning external affairs, defence, tax reform, citizenship, social security, information, and postal service.

I intended to say something about the setting up of a committee to study the White

Paper on Taxation, a copy of which I have in my hand, and which is entitled "Proposals for Tax Reform." I was of the opinion after studying the proposals, and I am sure other honourable senators who have been studying them have found the same thing, that the proposals are very new, complicated and controversial. That is why I strongly advocate the setting up of a joint committee of the Senate and the House of Commons. As I said when speaking on the leader's motion earlier this afternoon, I am of the opinion that we have so many tax experts in the Senate that it would be very wise to have about ten of them on such a joint committee. I am still of the opinion that a joint committee would be much better than a single committee in each house. It would save duplication.

I had intended asking the Leader of the Government to advocate the setting up a joint committee. However, we have now agreed to have our own committee to study these proposals. I am a member of that committee and have been for years. It is a good committee. We have a fine chairman who is a tax expert in his own right, and I am sure we will do a good job, but that does not mean that I have been won over entirely from the idea of having a joint committee. However, I am willing to go along with my colleagues and I know we will do the best we can.

Hon. Mr. Martin: You will be a good member of that committee.

Hon. Mr. Aseltine: As Senator Roebuck has said, it is very likely that we will have entirely different views from those of a committee of the other place. I am quite sure we will have.

Honourable senators, I am much disturbed by this proposal to tax capital gains because in my view it is a proposal to tax assets. I notice that the Premier of the Province of Saskatchewan is also very much disturbed about this matter. In an interview some days ago, he said that he would send a delegation to Ottawa to appear before a joint committee or before any other committee, and that he would probably head that delegation himself. Apparently he is very much disturbed over the proposal to tax capital gains in so far as they affect farm lands when they are sold. On page 38 of the White Paper I find the following:

> The government does not propose to tax gains that arise before the new system is introduced unless those gains would have been taxed under the present system. Consequently, the general rule would be that taxpayers could deduct from the proceeds of sale of assets the value of those assets on "valuation day".

Reading a little farther I find this:

> The natural and ordinary thing to do would be to proclaim that valuation day is to be the day on which the new system is to begin.

In other words, the capital gains tax would not be retroactive. In my opinion that means that on valuation day every asset of personal property or real property must be valued. Perhaps there would not be much difficulty in valuing personal property, but when you come to valuing real property you are in trouble. There does not appear to be any formula for valuing such real property, and I think that a formula should be included in the legislation when it is brought down in the form of a bill. Even then, it would be almost impossible due to the fact that, as stated previously, farm lands have gone up and down in value five times in my experience, and in the last two years values have gone down by 30 to 50 per cent. That means that when this becomes law and the valuation day is fixed, land will be valued as at that time even though it has gone down in value 30 or 50 per cent, and if the taxpayer sells it he pays capital gains tax on the difference between its value on valuation day and its value when it is sold.

That is not so bad, but there is something else that has been worrying many people in the West. We have farmers there who are retiring and who want to sell their land and have something to live on without having to pay substantial capital gains tax. As you know, honourable senators, when the amount of excess is arrived at, that amount is added to the total income of the taxpayer as of the date of sale and it increases the percentage of his tax until it reaches a maximum of 50 per cent. In other words, it becomes income.

Now, as I have said, I am not so very worried about that. We will have to get around it in some way or other. But what happens when a man makes a will and leaves a farm to his wife or to his son? There is no capital gains tax on that until the beneficiary sells it. Then when the beneficiary does sell it they do not take the value of the farm as of valuation date, but they go back 30 or 40 years to what it cost the farmer when he bought it, and the difference between what it originally cost the farmer and what it sells

for now is capital gains and is added to his taxable income. That is what we are objecting to, even though there is something in the White Paper to the effect that the tax will only be on the difference between what succession duty or estate tax was paid and the amount of the capital gain.

Honourable senators, I know of hundreds of people who have invested in farmland and have been either farming the land themselves and living on the land or operating it from their home in town, or having somebody else farm it for them and sharing the crops. This is going to be a very serious matter for people who have their money invested in that way and obtain a substantial income from the farmland. In my opinion, it smacks of confiscation.

Honourable senators, these are matters which I hope our Banking, Trade and Commerce Committee will look into carefully when the matter comes before them for consideration.

Hon. Donald A. McLean: Honourable senators, I join with others who have spoken in this debate in extending my congratulations to the mover and seconder of this motion for an Address in Reply to the Speech from the Throne. Their speeches were excellent and well deserving of praise.

I sit here surrounded by many eminent speakers and I am quite reluctant to rise on the last day of this debate to offer my few remarks with reference to the Speech from the Throne.

At home on Sunday mornings I listen to a very interesting television program featuring Rex Humbard, and last Sunday he had on his program an evangelist from the mid-western states who was preaching the old-time religion. He said that he went into taverns, nightclubs and other such places to preach the gospel. Rex Humbard asked him, "Why do you go into these places to preach the gospel? Why do you go into restaurants where there are topless waitresses?" He replied, "I go in there to get down to the bare facts."

Honourable senators, although I am reluctant to speak in this chamber on the last day of this debate, I want to get down to the bare facts. I was born on a farm in Cape Breton and the first instrument I was given to use was a shovel—and you know what that is used for. That shovel taught no oratorical lessons. I went on from there to milking a cow. That had no oratorical lessons to teach, but it did give me strong wrists and hands. However, that was not enough by which to earn a living, so I had to go on to something else.

During the course of this debate we have talked of poverty and many other things, but what is poverty? Why should we have poverty in the midst of plenty? I do not see why poverty should exist in this country. I know the difference between poverty and being poor. I was brought up damned poor, but when one speaks of poverty one thinks of a person without clothing, shelter or food. We have millions of bushels of wheat in the west, and thousands of barrels of potatoes and large quantities of fish in the east. It is just a matter of distribution.

When I was a boy I went to the grist mill with oats, wheat and buckwheat, and returned home with enough flour and oatmeal to do us all winter. We ate oatmeal porridge in the morning and buckwheat porridge at night. If we did not work, we did not eat.

A great deal of training needs to be done in our country. We need more research into the management and distribution of food. Food is plentiful in Canada, but it is not distributed properly.

As His Excellency the Governor General said in the Speech from the Throne, inflation is the most serious obstacle to the achievement of our economic goals and is also the most difficult to control.

Inflation is an insidious evil for all, but it is particularly so for those whose incomes are low, because even a modest increase in price levels causes hardships for pensioners, the unemployed, persons on welfare and others unable to increase their incomes. The recognition of the hardships which the rise in the cost of living during the past four years has caused, and is causing, has effected a change in the Government's attitude towards increased expenditures and the resultant deficits. Also the course of events in the fields of wages and costs of production, heavily influenced as these were by the general atmosphere of inflation, has played a part in this change of attitude. Major increases in prices and costs are diluting the prosperity achieved since the beginning of the decade, and the costs of continued inflation are huge and may ultimately be reflected in an impairment of the country's competitive position. The agreements reached in the dock workers' and the St. Lawrence Seaway workers' strikes in 1966, in the airline strike in 1968, and so on,

all contributed to the inflation psychosis which has gripped the country.

Mr. Louis Rasminsky, the Governor of the Bank of Canada, in November 1967 warned that governments were spending and borrowing too much, and urged management and labour to act with restraint and prudence. He also urged public opinion to become a potent force in moderating pressure by insisting that incomes keep in step with output, and he told investors that, in seeking to protect themselves against high interest rates, they were forcing up rates. Mr. Rasminsky believes that public opinion can exert pressures on the economy by keeping increases in incomes closer to what the economy can really back up in the form of goods. If we increase incomes more rapidly than we increase production, then costs and prices are bound to go up. If there is not appropriate restraint and prudence on the part of all governments, management and labour, then we shall have to adjust in other more painful ways, such as more unemployment and unused economic capacity, to cool off the economy.

Our Prime Minister, in his expenditures guidelines statement of August 13, has shown the Government's willingness to combat inflation by cutting its expenditures and urging the provinces to do their share in the fight against inflation by controlling the size of federal expenditures made to the provinces, which is the most rapidly rising part of government expenditures, for such things as equalization payments, shared cost programs like hospital services, the operating costs of post-secondary education, et cetera. Federal expenditures will be cut by reductions in the federal payroll and defence costs, and a review of old and new programs and activities, but the aim is not to curtail essential government services for the people but to perform those services more efficiently, and to institute a minimum of new priority programs for those Canadians and regions in real need of social and economic help.

The *Financial Times* of September 22 editorializes that price stability is not an alternative to the growth of output and employment. It is the essential condition for growth; it is not a threat to the poor, but their only hope of improving their lot. It is true that fiscal and monetary restraints may produce slack in the economy before they make any substantial dint in rising prices. But it does not follow that the restraints should be removed whenever economists, politicians, or businessmen think they see some signs that there might be some slowdown next year or the year after. We have been around that circle at least twice in the sixties, even as late as the summer of 1968. The only result of relaxing too soon is to intensify the inflationary forces and make them even harder to beat later on.

Dr. John Young, Chairman of the Prices and Incomes Commission, argues that unless those who feed off inflation get a real jolt, price and cost pressures will remain a permanent fixture in the economy. The Prime Minister has said that his Government intends to cooperate to the fullest with the commission in the development of a set of voluntary constraints on prices and incomes for 1970. It must be stated here that labour leaders do not agree that voluntary guidelines can cope effectively with the current inflation. Donald MacDonald, President of the Canadian Labour Congress, and Marcel Pepin, President of the Confederation of National Trade Unions, in their joint press conference on October 17, claimed that there needed to be restraints on all non-wage and salary forms of income including profits, rents, interest, professional fees, unincorporated business income, speculation in real estate prices, et cetera. They concluded that it is impossible to bring these forms of income "under a meaningful policy" of voluntary restraint.

The Economic Council takes the view that Canada cannot do substantially better on prices than the United States, and that the causes of inflation have changed significantly since the mid-1960s. The problem then was excess demand, but it is difficult to say that this still applies, since the Canadian economy has had at least a moderate margin of slack since 1967. The United States, however, is still suffering from excess demand, fanned by the pressures of Vietnam, and its prices have been rising faster than Canada's. In the view of the Economic Council, until United States price pressures ease Canadian efforts to fight inflation at home will be handicapped. The Government is putting more weight on the costs of inflation and less on the risks of unemployment than the Economic Council would like. The council suggests that last year's 20 per cent increase in unit profits in manufacturing was "inappropriate," and says some prices must fall if the overall advance in prices is to slow down. It calls for major new initiatives to solve the problems of small scale, poor management, restrictive labour practices, inadequate research, backward technology, land speculation, and obstructive building and zoning codes that add to costs

and cut productivity in the housebuilding industry.

The goals most warmly advocated by the Council—maximum economic growth, maximum opportunity for personal development, and drastic reduction in poverty—are irrefutable. They are also unattainable until the fight against inflation is won.

In Washington, the war against inflation has been stepped up. There is no sympathy among the advisers of President Nixon for the young economists' warnings about "overkill," and the fear of unemployment resulting from anti-inflationary policies is regarded as a bogey. These men admit that their policies are liable to produce a decline in real business before they bring prices down. But they are reconciled to an inevitable transition, which they do not believe will last too long and will produce the desired results.

In conclusion, may I say that as of November there are signs that the restraints are having an increasing effect, not only on spending but also on demand psychology. Inflation may not have been completely checked, but some of the conditions which had been leading to its acceleration have been substantially reduced. Money has become tighter than tight, and efficiency has again become a watchword in business and government. Inventories have been cut back and that most sensitive of barometers, the stock market, has lost much of its speculative confidence. Whether the present pace continues on into a protracted period of adjustment or proves to be a short-lived interruption of expansion is, however, yet to be determined.

Hon. Keith Laird: Honourable senators, as this most interesting debate is concluding—a debate marked by the very able speeches of both the mover and the seconder of the motion, as well as many others, and presided over so ably by His Honour the Speaker—one thing that has impressed me is that the almost universal theme of the speeches has been the desirability of dialogue as a means of settling problems.

I had originally in mind giving more than one example of the situation, but because of the lateness of the hour I shall content myself with just saying, as a starter, that the word "dialogue" seems to have assumed a special meaning in our language. I take that word to mean just plain discussion, and I think we can all agree that a lack of discussion in the past has produced any number of problems, serious and otherwise, and among the serious problems are those concerning student unrest and racial unrest.

So, the value of dialogue must be apparent to all senators, and it has been the theme of a good many speeches, either directly or by implication. In fact, the honourable Leader of the Government and one or two other senators actually used the word "dialogue" which, as I say, has come to assume a special meaning in our language. I must admit that I am old-fashioned enough to think of it in terms of discussion, but that is beside the point. Let us call it dialogue.

In view of the lateness of the hour, I will confine myself to one aspect of this dialogue. I think a perfect example, one that has been partially discussed already by Senator Aseltine, of the invitation to dialogue as a means of solving a problem is found in the very first paragraph of the white paper:

> The government will welcome public discussion of the proposals, particularly in the parliamentary committee considering them.

Now, nothing could be more plainly stated than that discussion, particularly at the top, in Parliament, is welcomed. As we found out earlier and heard emphasized again today, there will be two committees dealing with this, one in the House of Commons and one in the Senate. As you have heard, that committee will be the Standing Senate Committee on Banking, Trade and Commerce.

In pointing up very briefly some of the problems which will come before that committee, I shall carefully refrain from expressing any opinions, because I feel that is a matter for the committee. Those opinions will arise out of the dialogue which takes place there. It will be the sort of dialogue we had this morning in the Standing Senate Committee on Foreign Affairs between the Honourable Mitchell Sharp and ourselves. It is also the sort of dialogue we had in that committee two weeks ago between Mr. Maurice F. Strong and ourselves. In my humble opinion, this is very productive and is the highest form of dialogue in this country.

When this White Paper on Taxation is dealt with in our committee—let us confine our attention to that for the moment—certain problems must be considered. Again I emphasize that I am not making any recommendations at this stage. It would be most improper, but at least I can point up certain of the problems which must be considered in the course of that dialogue, and why.

I have made a note of some of them. For example, Senator Aseltine spoke of the capital gains tax, particularly in relation to the problem in the west. I can well understand his concern in this connection. There is also a problem which must be carefully considered as to the form of that tax. In a sense it is segregated from income in the United States and is at a fixed rate depending on the length of time that the investment is held, which is 25 per cent if it is held beyond six months and a gain is realized. The committee has to consider carefully whether or not it is in the best interests of the country to bring the gain into income as such. I am expressing no opinion, but I am pointing this out as a problem which can be the subject-matter of dialogue before that committee. I am assuming, by the way, that the committee will have the benefit of a good many outside experts, plus the benefit, I can assure you, of many experts on the committee itself, not the least of them being, as Senator Aseltine said, the chairman of the committee. All these problems I have mentioned, including capital gains, will get a thorough airing.

The next consideration that occurred to me was the matter of rates, particularly as they relate to persons in the middle income bracket. It is true that on the face of it one would certainly approve of lowering the rates on the low income brackets, for the simple reason that we do not want any distress in this country.

The next question to consider is whether on the whole this is equitable and in the best interests of everyone. I have in mind particularly, of course, the middle income bracket. Is this going to help or hinder initiative which brings about productivity? Is that not our real problem, how to get the maximum productivity out of the tax system? It has been said, sometimes in accusatory terms, that this white paper is a social document. Of course it is a social document. I do not think there would be any object in anyone denying that. It is hoped that it will bring the greatest good to the greatest number. We have to consider carefully, under the second point I have been trying to make, whether the rates are equitable in the circumstances, particularly to the middle income group. Again I emphasize that I am expressing no opinion.

The next question that must be dealt with both in the committee and in this house is whether or not it is wise to do away with the advantage to small businesses which exists now because of the lower rate of tax on the first $35,000 of net profit. Again I express no opinion, but we must consider carefully what the effect will be. Will it result in an inability on the part of energetic people to commence a business and make it grow into something worthwhile which has real productivity? This is a problem which I am sure is going to receive a lot of attention.

By the way, speaking of dialogue and attention, at this point I have managed to collect two files of newspaper clippings. If that can be termed dialogue, it has definitely started in a big way in all of the newspapers, the financial journals, and on radio and television. This is good, because without that sort of dialogue how do you get an ultimate solution which is acceptable to everybody?

Other problems will have to be considered. This may be a small one in a sense, but it is not small to some people. It is the proposal to eliminate as deductible all convention expenses. Is that the right thing to do? Conventions are big business to some communities. There are various types of conventions. Some, I admit, lend themselves to abuse; others are calculated to increase knowledge. It will have to be carefully considered whether this particular tax proposal is too sweeping and should be modified.

Expense account living is a problem that must receive attention from the committee and from this House, as well as from the other place. It is proposed, of course, to do away with deductibility of club dues entirely. I admit that probably there have been some abuses in that connection, and also in general in the operation of expenses, and so on. As someone who has had some experience in the tax field, I think the Department of National Revenue, in its usual efficient manner, has managed pretty well to control that situation lately, and they deserve full marks for that. However, perhaps there are still some abuses; I do not know. Nevertheless, we will have to consider carefully in committee whether or not to eliminate as deductible all club dues and all convention expenses.

This is the sort of thing that can be the subject matter of dialogue, that can be solved only after hearing opinions from all sides. It would be a great mistake, I think, for anyone to try to be dogmatic at this stage and say this is the way it should be done. There is a

long way to go. This will not become law for over a year. In the meantime there will be ample opportunity for discussion. As an aside, I would point out that the local newspaper back home, the Windsor *Star,* carried an item, which I must admit appeared with my full consent, suggesting that I would be pleased to receive the views of anybody on the white paper. I may add that I have been receiving them. I think this is the way it should be done. It is a bit of a burden, poring over a lot of letters, but how else can one get at what the public thinks about these matters, and how else can one get a consensus of opinion, which is essential if we are to have a successful tax system, or any other system for that matter.

I must admit that I am in no position to discuss the details surrounding the proposals on the mining and petroleum industries. All I say is that we must consider carefully whether or not the opposition that obviously exists to the proposals has any merit.

Although many other things arise out of the white paper, one further thought occurring to me is that we must carefully consider whether the white paper is doing the right thing when it comes to encouraging foreign investment. After all, it is perhaps true that the white paper does something appealing in the sense that it is positive in encouraging Canadians to invest in Canadian enterprise. Let us be frank about it. I like this positive approach better than the negative approach we had a while back. We must, therefore, carefully examine that aspect. I suppose, too, capital gains comes into that picture. Are we doing the right thing to encourage foreign investment?

All these problems will have to be the subject of discussion in committee and in this house. To have complete agreement on everything would certainly be a sign of a stagnant society, and it would not be right if there were no protests. For example, our own Prime Minister said of protesters:

> They should be considered as the twinge of our conscience.

Perhaps if we had a few more twinges of conscience we would have a better world.

Motion agreed to and the Address in reply to the Speech from the Throne adopted.

On motion of Hon. Mr. Langlois, ordered that the Address be engrossed and presented to His Excellency the Governor General by the Honourable the Speaker.

[Hon. Mr. Laird.]

YUKON PLACER MINING ACT

BILL TO AMEND—SECOND READING DEBATE ADJOURNED

Hon. W. M. Benidickson moved the second reading of Bill S-4, to amend the Yukon Placer Mining Act.

He said: Honourable senators, while we are dealing with an act of long standing and of a considerable number of sections, 89 or 90 in all, the Yukon Placer Mining Act, which has been on the statute book for a long time, I suggest that the amendments are not of great moment. They involve amendments to only two sections of the basic statute. It is my proposal that after debate on second reading, if second reading is approved, the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce. I think there is a precedent for this in connection with territorial matters in the north. The Senate addressed itself in 1967-68 to the Territorial Lands Act and other related statutes, and the bill was referred to the Banking, Trade and Commerce Committee. I think that is the appropriate committee to consider the amendments now before us.

Without attempting to be technical or delay the Senate, I should give you a general outline of what is proposed in these amendments. As I said, two of the sections are amended and one additional clause is being added to the old statute. The Yukon Placer Mining Act, which provides for the administration of placer mining rights in the Yukon Territory, was approved by Parliament in 1906. Since that time, only minor amendments have been made to the act, the last of which was authorized in 1952. The amendment being sought now simply provides for multi-purpose utilization of the land surface where practical within the Yukon Territory.

Honourable senators will, of course, remember the great Klondike rush of 1896, but from 1898 until after World War II, placer mining played a major part in the economy of the Yukon Territory. The highest productive years were 1901 and 1902 when about one and a half million ounces of gold were recovered each year from this form of mining. In 1967 and 1968 production amounted to only slightly more than 11,000 and a little more than 10,000 ounces respectively. You can see the great change in importance of the placer mining in the Yukon. At one time the Yukon Consolidated Gold Corporation, for example, had nine dredges operating in creeks in the vicinity of Dawson City. However, all dredging operations were closed down in the fall of

1966, when recovery of gold in this manner became uneconomic. Today, activity is on a very small scale. I am told that it comprises perhaps 30 small operations, each involving only one or two personnel, so that we are not talking about interfering with the mining industry.

As a former Minister of Mines, I would not be proposing this legislation if I felt it was deleterious to mining operations in this part of our land. Perhaps because placer mining was the prime industry at the time the act was drafted, only lands within the boundaries of a city, town, or village, or lands occupied by a building or forming part of an Indian reserve were protected from multi-utilization. The act makes no provision to withdraw from its application lands that may be required in this modern age for public purposes, such as harbours, airfields, roads, bridges, national parks, historic sites and game sanctuaries.

The essence of the proposed amendments is to authorize exceptions in order to provide protection for utilization of these lands, aside from mining claims for these public purposes. The purpose of the amendments to sections 17 and 19, and the addition of a new section 93, is to provide for other circumstances additional to those now stated in the act, where it is desirable to restrict placer mining and to provide authority to control placer mining where land is required for a public purpose. The restriction on the disposal of ownership of the surface of the claim is removed to permit multi-purpose use of the surface where practical. The industry will not be restricted by the proposed amendments. The amendments are not retroactive and cannot therefore affect existing rights of claim holders under the old regulations of placer mining.

Honourable senators, I suggest that this updating of the act, which provides for certain land areas to be restricted in terms of placer mining, is not inconsistent with existing provincial legislation applicable elsewhere; for example, in British Columbia under its provincial mining regulations, and in Ontario and Quebec.

The details of this bill, for which there are adequate explanatory notes, can be examined in committee. I understand that the Chairman of the Banking, Trade and Commerce Committee will make his committee available for this purpose next week, and if the bill is given second reading I propose to move that it be referred to that committee.

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

ADJOURNMENT

Leave having been given to revert to motions:

Hon. Leopold Langlois: Honourable senators, I move, seconded by honourable Senator Roebuck, that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, November 20, at two o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, November 20, 1969

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report of the Department of Trade and Commerce for the year ended December 31, 1968, pursuant to section 7 of the Department of Trade and Commerce Act, chapter 78, R.S.C., 1952.

ADJOURNMENT

Hon. Paul Martin: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 25, at 8 p.m.

Motion agreed to.

POVERTY

PRESS CONFERENCE—AUTHORITY TO SPEAK ON BEHALF OF SENATE COMMITTEE—QUESTION

Hon. Hartland de M. Molson: Honourable senators, I should like to ask one or two questions of the Leader of the Government, and in order to make those questions clear I would ask your indulgence to read a few sentences from a Canadian Press report. This report appeared in the Ottawa *Journal* yesterday, November 19, and also appeared in other newspapers. In fact, the Toronto *Telegram* carried the heading, "Solve Poverty or Face Riots—Warning".

The Canadian Press dispatch in the Ottawa *Journal,* a small part of which I shall read, is headlined, "Poverty Riots Predicted in Vancouver".

> Canada will be rocked with riots within five years unless poverty-ridden people achieve a decisive victory, Frederick Joyce, director of the Senate committee on poverty, said here Tuesday night.
>
> He told a news conference that he felt Vancouver would be a likely place for riots to begin.

I will not read any further.

Hon. Mr. Flynn: That is quite enough.

Hon. Mr. Molson: Honourable senators, I was a little startled to read this. I feel that somebody who is quoted in the press and perhaps other media as well, as director of one of our committees, speaks, by inference, with the authority of the Senate, and therefore I should like to address three questions to the Leader of the Government.

Is there any possibility that the position of Mr. Fred Joyce has been changed from that of Staff Director, as was mentioned by the committee chairman in our *Hansard* of October 28, to Director of the Senate Committee on Poverty? Secondly, do the terms of reference of such a position include the power to speak on behalf of the Senate committee? And thirdly, might not the views expressed in this article be considered seditious, as were the remarks in Quebec that schools would explode if Bill-63 were not rejected?

Hon. Paul Martin: Honourable senators, the reaction to Senator Molson's intervention I think speaks for itself. No one has the right to speak on behalf of the Senate but a spokesman who acts pursuant to a decision of the Senate. Certainly no official, whether he be on the permanent staff or on the temporary staff, has the right to speak for any Senate committee unless he has been given that authority. I am sure that Senator Croll and his committee would not have yielded any of their authority in that regard.

At this time I can only say that I have not yet had a chance to verify the statement. However, I think the intervention of Senator Molson and my own remarks today will be sufficient to bring this matter to the attention of the chairman of the committee on poverty. I repeat, no official has the right to make any remark and have it attributed to a body to which he has been assigned. I am not passing judgment on whether or not this happened; all I have before me is the newspaper report.

I assure Senator Molson and all honourable senators that this matter will be looked into.

Hon. Jacques Flynn: May I ask the honourable Leader of the Government if his answer means that Senator Croll has not been in touch with him regarding this rather surprising news item?

Hon. Mr. Martin: Senator Croll may well have tried to get in touch with me, but I have been in Cabinet all morning. However, I shall

be in touch with Senator Croll because I am leaving for Vancouver later today and I expect to see him—of course I am not going there for that particular purpose.

Hon. Mr. Flynn: And you are not going there to incite a riot, I hope.

Hon. Arthur W. Roebuck: Honourable senators, I observed as I read the item to which reference has been made that it does not say that Mr. Joyce was speaking on behalf of the Senate. The extent to which the Senate is brought into the matter is that he holds a position in relation to that committee, and that is all. There is nothing in the report to indicate that he was speaking on behalf of the Senate or of the Senate committee.

Hon. Mr. Flynn: It was mentioned that he was speaking to a news conference. It is hard to imagine that someone in such a position would hold a press conference without authority from someone.

Hon. Mr. Martin: That is perhaps attributing the responsibility to Senator Croll or a member of the committee, which I do not think the facts warrant. I cannot believe that Senator Croll or any member of the committee authorized that kind of statement to be made.

Hon. Mr. Flynn: I do not believe it either, but I merely say that that is the interpretation to be given to the news item.

Hon. Mr. Molson: Honourable senators, with your indulgence I would make one further remark. I wish to make it quite clear that I am not saying this by way of criticism, but when a report appears in the press in this form we in the Senate want to straighten the matter out and to determine whether the person involved had any authority whatever to speak on behalf of the committee or the Senate.

Hon. Mr. Roebuck: That is right.

QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—THIRD READING

Hon. Paul Martin moved the third reading of Bill S-2, to amend the Quebec Savings Banks Act.

Motion agreed to and bill read third time and passed.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

BILL TO AMEND—THIRD READING

Hon. Daniel A. Lang, moved the third reading of Bill S-6, to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments.

Motion agreed to and bill read third time and passed.

FOREIGN INSURANCE COMPANIES ACT

BILL TO AMEND—THIRD READING

Hon. Daniel A. Lang, moved the third reading of Bill S-7, to amend the Foreign Insurance Companies Act.

Motion agreed to and bill read third time and passed.

TRUST COMPANIES ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly, moved the third reading of Bill S-8, to amend the Trust Companies Act.

Motion agreed to and bill read third time and passed.

LOAN COMPANIES ACT

BILL TO AMEND—THIRD READING

Hon. Paul Martin, moved the third reading of Bill S-9, to amend the Loan Companies Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

PITTS INSURANCE COMPANY—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-10, to incorporate Pitts Insurance Company.

He said: Honourable senators, item No. 7 and item No. 8 on our order paper today are bills to incorporate insurance companies. The petitioners in both cases are the same persons. As you will notice, the Bill S-10 is an act to incorporate a general insurance company, and Bill S-11 is an act to incorporate a life insurance company. I would like, if I may, to make my remarks this afternoon applicable to both these bills, because substantially the facts concerning them are identical.

Pitts Life Insurance Company was incorporated on March 1, 1963, under the Ontario Corporations Act. Pitts Insurance Company was incorporated under the Ontario Corporations Act on July 5, 1956. Both companies are relatively new in their fields. The principal place of business of both companies is the same, namely, the City of London, Ontario. Their head offices are both maintained in that city. Both companies, since they were incorporated and commenced carrying on business under their Ontario charters, have enjoyed considerable success, in fact, I would say quite substantial success considering the surplus positions which the companies accumulated within this relatively short period of time. The life insurance company commenced business in 1963 with a paid-up capital of $260,000. It has had a record of continuous profitability, even during its start-up years, which is quite an accomplishment in this field, and it has grown to a point where its capital and surplus now total in excess of $1 million. Similarly, the general insurance company started in 1956 with a capital of $100,000. It has grown to a combined capital and surplus figure today in excess of $600,000.

I should mention that these are wholly-owned Canadian companies. In fact all the shareholders of both companies are with very few exceptions employees of the companies. We have here a management-ownership proposition. Both companies do a large part of their business in Ontario, Quebec, New Brunswick and Alberta, through general agents in those provinces. It is their inability to do business in Newfoundland, Nova Scotia and Manitoba in particular, together with the continued growth of the companies and a considerable loss of business through their inability to enter these provinces, which has prompted this application for federal incorporation. In fact, honourable senators will recall that the amendments to the Canadian and British Insurance Companies Act, which today passed third reading, make provision for the incorporation of these companies by Letters Patent under that act. This application was started some time ago on the assumption that that bill would become law. It not having yet become law, and in the event that it does not become law within the reasonably near future, the applicants have brought forward this petition for statutory incorporation.

[Hon. Mr. Lang.]

With federal incorporation both these companies will immediately extend their business throughout Canada where referred to heretofore. They plan within approximately three years to enter the United States market, should business considerations be favourable at that time. The companies are managed by the applicants set forth in the petitions, who are business and professional men in the City of London and the immediate area. They enjoy a high reputation in the business community of that city and its environs. The affairs of both companies have been scrutinized by the Department of Insurance and are in a position to meet the requirements respectively of capital and surplus as set forth in the bills.

If these bills receive second reading, I will ask that they be referred to the Standing Senate Committee on Banking, Trade and Commerce, where officials of the department will be available to give evidence of the suitability of these companies to carry on business as applied for.

There is an error in clause 7 of Bill S-10. The surplus requirement referred to in that clause should read "one hundred thousand dollars", not "five hundred thousand dollars." At this time I merely draw attention to the error and to the fact that I will be moving an amendment to rectify it before the committee.

Honourable senators, I commend Bill S-10 for your favourable consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

PITTS LIFE INSURANCE COMPANY—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-11, to incorporate Pitts Life Insurance Company.

He said: Honourable senators, my remarks on Bill S-10 are applicable to this bill which, if it receives second reading, I will ask to be referred likewise to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

QUARANTINE BILL

SECOND READING

Hon. Donald Smith moved the second reading of Bill S-12, to prevent the introduction into Canada of infectious or contagious diseases.

He said: Honourable senators, you will have noticed by the front page of the bill that it is entitled, "An Act to prevent the introduction into Canada of infectious or contagious diseases." As that formal title suggests the prevention of such diseases as foot-and-mouth disease and perhaps some other plant and animal infections, I believe we would better understand the measure by noting the short title, which is the Quarantine Act.

I am sure most of us are old enough to recall quite vividly the days of quarantine placards on the doors of houses in our own communities. Perhaps those placards appeared in some parts of the country and the world a lot more frequently than in others, but most of us will remember in our childhood at least the prevalence of such diseases as scarlet fever and diphtheria. We can all remember too the horrible colour—in my province it was yellow—and the frightening looking placards by which your friends at school were confined to their homes throughout the duration of those dreadful diseases. It gives some of us, who perhaps now regard ourselves as the downbeat generation, some real degree of satisfaction to know that we do not see such placards any more. The reasons we do not see them are manifold, but perhaps the important one is because many people concern themselves with medical health and public health as a branch of medicine, and others who are responsible with the aid of the pure scientists to overcome a great many of these diseases which took the lives of members of our own families and playmates when we were young.

Now, I do not suggest that this bill has very much to do with the diseases I mentioned in passing and which were the subject of the quarantine, but there are diseases covered by the Quarantine Act which some of us have had experience with in our younger days. One of these is certainly smallpox.

In the early days of my own seaport town of Liverpool, Nova Scotia—which was the first place settlers came in 1759 after the way was found for them by Champlain and De Monts—there was evidence of a great loss of life from yellow fever, another disease which is covered in this Quarantine Act. Some of the diaries from our early days which I have read refer to it as "Yellow Jack". Apparently it was a common occurrence for the seagoing men and boys of Liverpool to contact yellow fever while on their voyages down to the Caribbean, and it caused a serious loss of life.

As a reminder of the great advances made in maternal health and in many other medical fields, one has only to walk slowly through some of those historic graveyards to be found in older parts of the country and read the well-weathered inscriptions of maternal and childhood deaths from smallpox, yellow jack and many other epidemics.

Some years ago—I am sure it was through the intervention on my behalf of the then Minister of National Health and Welfare, now the Leader of the Government in this chamber—I was able to attend a meeting in Switzerland of the World Health Organization. At that time, with my semi-medical background and coming from a medical family, I was very interested in those subjects which I discovered were so well covered by the World Health Organization, and I was impressed by the success of its programs to prevent the spread of horrible diseases. Some of those are listed in the schedule to this bill—cholera, plague, smallpox, louse-borne relapsing fever, typhus fever and yellow fever. We do not hear very much of such diseases in these days, and because we do not hear about them, it is good news. It is another instance where "no news is good news."

This has come about because nations have legislation similar to Canada's Quarantine Act, and also because of the great international effort made through the World Health Organization. All countries must continue to exercise the highest degree of vigilance in these matters.

I am familiar with the port city of Halifax; and I am sure that if honourable Senator Isnor were with us this afternoon he would enter this debate as a stepping stone to another speech in praise of the Port of Halifax, of which he is very proud and where the recent developments make him even prouder than he has been in the past. In a port such as Halifax there is from time to time a smallpox scare. This usually results from the presence of one or more suspected cases of smallpox which the press learns are in an isolation hospital. There have been real cases of smallpox too, but under the Quarantine Act our attention in the Port of Halifax for some time

has been directed constantly towards the prevention of the spread of such horrible diseases as smallpox. That there has been no spread of this disease is attributable to all of the officials who give such careful attention to this subject.

Honourable senators, the time has come to bring this legislation up to date. I have been told that the Quarantine Act now in effect has lacked any substantial amendment or modernization for upwards of fifty years. As a result, its application to developing techniques in communications and transportation has been difficult and at times of questionable validity.

The present bill, which is a complete recasting of the Quarantine Act, is designed to reduce the chances of certain contagious and infectious diseases entering Canada and the hazards associated with such entry.

The principles underlying the exercise of quarantine derive from long experience and are based on sound medical practice. The long-term effect hoped for, through the application of similar legislation in many countries, is the general raising of health standards gradually to the point where the risk of the major diseases entering or becoming epidemic in any country are reduced and kept at as low an incidence as possible. In this way, the administration of a reasonable and effective quarantine procedure is complementary to other public health measures in effect in the countries concerned.

The interpretation section of this bill contains several new definitions. I would draw your attention particularly to the definition of "conveyance" which, for the first time, specifically includes aircraft, trailers and vehicles generally by which persons, goods and cargoes are transported.

Hon. Mr. Martin: And ski-doos?

Hon. Mr. Smith: Yes. There are many other modes of transport included, but I do not wish to enumerate them at this time.

The degree of danger in particular diseases alters somewhat over the long term and according to the prevailing circumstances. Provision is made in the bill for changes to be made in the listing of those diseases which shall come under the scope of the act. These changes may be named in the schedule to the act in future by order in council. The control rests primarily in the administration by a screening process, through which varying categories of persons and goods may be processed with greater or lesser facility, according to the circumstances.

This process is implemented through the establishment of quarantine stations at all major ports of entry and through the designation within those quarantine stations of particular areas, called quarantine areas, where the probability or possibility of contagion or infection is acknowledged and where necessary inquiries and examinations can be conducted. Such quarantine areas may consist of parts of buildings, portions of landing strips at airports, or other well marked and defined areas, entrance to and exit from which are controlled.

It was and must continue to be the case that certain ports of entry be designated as quarantine stations, in the operation of which quarantine officers are given specific authority. This legislation permits the Minister to make the necessary designations and provides the necessary control over access to these areas.

It is basically the use of these areas and the limitations on access thereto that provide the primary means of overseeing the entry into Canada of persons or goods and the means of obtaining, with reasonable satisfaction, assurance that diseases are not being permitted to enter the country.

The day-to-day work of administering quarantine legislation is carried out by a large number of persons designated as quarantine officers and who, in that capacity, are given the minimum of authority necessary to carry out their duties. A quarantine officer is authorized to go on board any conveyance and inspect it and its cargo. He is also given authority to require the person in charge of the conveyance to produce documents for inspection relating to matters dealt with in the act.

There is also authority to detain in a quarantine area any such conveyance and any cargo until the quarantine officer is satisfied that the requirements of the act have been complied with.

In addition to boarding and inspecting and examining documents, it will obviously be necessary on occasion to require certain remedial measures before permitting a conveyance to leave a quarantine area. Provision is made for authority to a quarantine officer for such purposes.

The bill also contains the authority necessary to control the entry into Canada of diseases carried by persons. It is doubtful, in my

opinion, which of the two is the more important. One is probably as important as the other. If a quarantine officer believes, on reasonable grounds, that a person is ill or may have a prescribed disease or be the carrier of it, he may request such person to undergo medical examination forthwith.

If such person refuses a medical examination or, having undergone such examination, is suspected of having or carrying a proscribed disease, a quarantine officer may detain the person in a quarantine station or hospital or on the vessel on which he travelled to Canada for a period not exceeding the incubation period of the suspected disease. In the alternative, and in the discretion of the quarantine officer, he may allow that person to leave the quarantine station if he signs an undertaking to report to a medical officer of health for a limited period, if he submits to vaccination for the suspected disease, or signs an undertaking and submits to be vaccinated.

While all the sections designed to control the entry of persons suspected of having infectious or contagious diseases are newly drafted, the principles involved are not new but have been at the root of quarantine control for a great many years. Generally speaking, the effect of these sections corresponds to that of provisions contained in similar legislation enacted by most countries of the world having a basic awareness of public health and a common desire to reduce the incidence of these dangerous diseases.

Provisions have been designed of necessity to continue the minute but, where necessary, thorough investigation of the disease-carrying potential inherent in inward-bound traffic in goods and persons. The very nature of the control problem, depending for its effectiveness on the removal of every known or suspected incidence of disease, entails, obviously, some encroachment on personal and property rights of the individual. It cannot be otherwise.

The rationale, of course, is that if these legislative authorities are exercised with intelligence and in a conscientious manner, the imposition against the person is nominal, compared with the possible injury to that person and others which it is reasonable to expect would result from any less effective investigative measures.

There are, of course, hundreds of ports of entry into Canada—many of them inland—and to maintain in each one a qualified medical practitioner is impracticable. For this reason, it is proposed to continue the arrangement whereby customs officers at ports of entry where a quarantine station has not been established may carry out primary control measures.

There is a high degree of complexity in the arrangements that must be made for the control of the high volume of traffic continuously entering into Canada. This traffic consists of pedestrians, motor vehicle traffic, trucks, buses, trains, ships and cargo and passenger aircraft. The establishment of procedures for this purpose must, of necessity, correspond to and alter from time to time in accordance with changing technological and commercial practices.

For this reason, and because of the detail involved, it is necessary to give the Governor in Council at least a minimum of authority to establish the necessary machinery by means of regulation.

In designing the present bill, note has been taken of the fact that the Quarantine Act, to be repealed by this bill, consists almost entirely of regulation-making sections. Care has been taken to include in the basic legislation itself in the new draft every possible provision for the implementation of the measure, leaving to subordinate legislation, in the form of regulations, only the remaining minimum which upon consideration is deemed essential.

The present quarantine regulations consisting of some 75 or 80 sections will, of course, need to be revised, such revisions having effect simultaneously with the coming into force of this act. As a result of this revision, it should be possible to confine such subordinate legislation to a fraction of its present extent.

The structure of this bill has been designed with a view to utilizing any necessary regulation-making authority for the purpose of reducing to a minimum any inconvenience or imposition inherent in effective quarantine control. It is of course necessary to maintain control in the implementation of quarantine measures and, for this purpose, violations of the provisions of the legislation or failure to comply with authoritative orders of quarantine officers are made offences punishable on summary conviction.

It will be remembered that the maximum penalty for conviction of an offence on summary conviction is a fine of $500, or imprisonment for six months, or both. A person in charge of a conveyance who similarly violates the legislation or fails to comply with an order is guilty of an indictable offence and is liable to a maximum fine of $2,000, or imprisonment for one year, or both. These are maximum penalties in both cases, and lesser penalties could be imposed.

In making the distinction between individuals entering into Canada and persons in charge of conveyances, cognizance is taken of the magnitude of the harm that could result from the introduction into the country of members of persons or quantities of cargo, as distinct from that which might enter through the improper action of the single individual.

The act is to come into force on proclamation.

Honourable senators, perhaps I have gone into too much detail, but this is a voluminous subject. I have tried my best to condense it, and I appreciate the advice I received from my leader and others with regard to the more essential matters I should cover.

I should like to indicate that it is my intention, if this bill receives second reading, to refer it to the appropriate committee.

Hon. Mr. Choquette: May I ask a question? Is it correct to say that this bill deals only with diseases that are carried by and communicated by human beings? Is there any question of diseases that might be carried by animals or plants or other objects? I ask the question, because at the beginning of your remarks you mentioned the diseases that might be communicated and carried by animals.

Hon. Mr. Smith: The reason I mentioned cargo or goods in the text of my remarks was to indicate that contagion and infection can be carried into a country by things as well as by persons. Those things may be animals, such as rats and lice. In fact, the expression "louse-born infection" is used in the schedule at the end of the act. Therefore, plants and things in general are covered. I think there is a legal meaning to the word "things" so that both persons and things are covered by the provisions of the act.

Hon. Mr. Choquette: Thank you.

Hon. Mr. Thompson: May I ask a question about tuberculosis? Frankly, it is a subject I do not understand too clearly myself. Perhaps it is a subject that will be taken up by the committee.

I think there are various opinions about whether immigrants coming to Canada and having the tuberculosis test may from the medical point of view have a scar that dates back ten years which may show that there is an immunity which the person has derived from having had contact with tuberculosis. Yet, it causes a great deal of heart-rending to families when one member of the family is debarred from coming to Canada because of the results of the tuberculosis examination. I understand that even in the medical profession there is controversy as to whether this constitutes a valid ground for debarring people from entering Canada. I am sure that at this time we are all concerned, and do not want this kind of debarment if it is outdated.

I would imagine that if the honourable senator does not wish to deal with this question at this time, having given a complete and lucid description of this bill, it would be something to which the committee could address itself.

Hon. Mr. Smith: Honourable senators, I would like to say a word on this question because it is a very interesting, particularly to some of us sitting in this chamber who have had personal experience with tuberculosis and have undergone treatment.

I think you will find that tuberculosis is one of the many diseases not covered under this act. As I understand the situation, decisions as to the admission or non-admission of possible carriers or those infected with tuberculosis are made under the authority of the Immigration Act.

I am also rather sensitive to the exclusion of those who at one time or another have suffered from a mental disease, since such people may experience some difficulty in satisfying the immigration requirements.

I believe we will have to deal with this by directing our questions to those who are qualified to enlarge on these matters in a more definitive manner. I am glad my honourable friend raised this question and I hope he will attend the meeting of the committee to find out all he can about how it is intended to regard persons who have had mental disease or who have been afflicted with tuberculosis, as being to whether they should be barred from entering this great country and sharing in its bright future.

Hon. Arthur W. Roebuck: Referring to my friend's question as to the attitude of the Immigration Department in this connection, may I say that I have had several cases where proposed immigrants have shown evidence of previous infection of tuberculosis and who wished to join their families in Canada. In the Province of Ontario—and I do not know if this has been the case in other provinces—arrangements have been made whereby the party could come to Canada on condition that arrangements were made for the immigrant to enter a hospital here and obtain a certificate from the medical authorities that he or she is no longer in danger of spreading infection to others.

I have had two or three cases in which officials of the Immigration Department showed a great deal of understanding and human sympathy in matters of this kind. Immigrants have entered the country and have gone into hospital and have been treated for a period of time. If they had tuberculosis and it has been cured, they are finally allowed to join their relatives. This arrangement gave me a great deal of satisfaction, and I think it is something we should acknowledge with approval on the part of the authorities.

Hon. Mr. Hollett: Honourable senators, I have just one simple question, if the sponsor of the bill can answer it. I refer to page 4, section 8, subsection 2. It reads in part as follows:

> (c) a person arriving in Canada from a place outside Canada is unable to produce as required by the regulations evidence satisfactory to a quarantine officer of immunization to an infectious or contagious disease, or
>
> (d) a quarantine officer believes on reasonable grounds that a person at a harbour, airport or port of entry into Canada has been in close proximity to a person described in subsection (1),
>
> the quarantine officer may
>
> (e) detain that person—

Does that mean that if I go across the American border to see my son or my daughter I may have to have a medical certificate in order to get back into Canada?

Hon. Mr. Smith: I do not suppose that would be the situation, because if it were nobody could cross the border to the United States to visit cousins or sons or brothers or sisters. However, it does mean that if a quarantine officer suspects that a person about to enter this country at any point of entry is carrying or has been associated with one of these horrible diseases listed in the schedule to the act, he is empowered to detain that person in the quarantine area of the quarantine station until the matter can be cleared up. It also gives power to the customs officer at some inland stations where they do not have a medical practitioner acting as a quarantine officer to hold such a person until a medical practitioner or quarantine officer can examine that person.

I hope that will answer the question which I think my honourable friend has in mind.

Hon. Mr. Roebuck: What about dogs?

Hon. Mr. Smith: Well, dogs already have to pass inspection. I know something about that subject, because my daughter-in-law imports and exports poodles.

Hon. John J. Kinley: Honourable senators, we very much appreciate the explanation of this bill given by my honourable friend who comes from a part of the district which I represent in the Senate. He was brought up in a home in which his father was an eminent physician and also a member of the Nova Scotia Legislature. Our associations are of long standing.

The senator is a dental surgeon and well qualified to interpret the bill now before the house. I have had a long experience as a pharmacist, and naturally I too am interested in public health. Our experience was in the historic towns of Lunenburg and Liverpool in Nova Scotia, from where our sea-going people sailed and did business in many countries, and where they were exposed to different climates and living conditions. Senator Smith was telling of the diseases that were epidemic in those days, and he mentioned especially yellow fever. My father contracted yellow fever on board ship in the tropics, but he was young and vigorous and recovered. However, he bore the effects for many years. Many ports in the tropics were hotbeds for yellow fever in those days. Older people will remember the battle there was with yellow fever during the construction of the Panama Canal. It was all because of mosquitoes, and it was only after they succeeded in eliminating the mosquitoes that the canal was completed.

At the outset of my friend's excellent explanation of the bill he mentioned the hoof-and-mouth disease. I feel sure some of the

older members of the Senate remember the devastation that occurred because of that disease. It is serious because it affects our import and export trade, and if it occurred again in Canada the United States would immediately quarantine us and other countries. The Mounted Police would destroy the affected animals in Canada and quarantine those suspected of having been exposed to the disease. So, a return of that disease would be a serious matter for our farmers. I do not know what preparations there are to combat the disease nowadays, but in committee I would like to hear something more about it.

There are other diseases in Canada we thought we almost eliminated—venereal diseases. We find these are increasing in Canada, despite the specifics which are used to control them. They do not seem to be as effective as formerly. So that is an increasing problem. There was a plan by which doctors would give information and by which those afflicted would have to be registered but, in my experience there were not many warnings given. Those of us living in seaports, at which ships dock after long voyages, were familiar with the prevalence of these diseases in earlier days. I am glad to say that for many years we saw little evidence of it, but it is again making its appearance. We should alert our Department of National Health and Welfare to the fact that it is reappearing, and I think it is proper for me to say something about it when discussing public health.

We hear much today of committees and legislation regarding the high cost of drugs. I have been in the drug business for a long time. I think it is in much better shape today than it was when I was actively engaged in it. In earlier days you had to do many other things to keep your business going. When you think about what our friend has been saying about these diseases, such as scarlet fever and other epidemics, you realize that if you were unfortunate enough to contract one of them you could be confined to bed for months or even years. Now these diseases can be treated and cured in a matter of weeks, and of course time and health are of great value. Also, when you consider the large amounts of money that are spent on research and the development of medicines and drugs, it shows that we are making progress. Also, when you consider the suffering and the lengthy illnesses of patients in former days, you realize that today the situation is vastly different.

[Hon. Mr. Kinley.]

Now we have arrived at the stage when the Government is going to look after all of us with medicare. It appears to me that in the days ahead we are going to experience some difficulty in that regard, because when you do not have to pay for treatment by a doctor your visits to him will become more frequent. and the physician will be overworked.

In that regard we are now told that in addition to what they are paid through medicare, some doctors will charge a further sum for house and office calls. I have doctors in my own family, so I am not prejudiced against them; indeed, we regard them highly. However, doctors constitute the highest paid profession in Canada today, and all the time they are getting more for what they do. Of course, I agree that merit should be compensated, and that the very successful man who can do things others cannot do must be paid accordingly. But it seems to me that in general, in Canada we should frown on the fact that a doctor must make an extra charge under these circumstances.

This is an interesting bill, dealing as it does with public health, which is an important matter. It involves those who know a great deal about the subject and who have spent a long time in the study and manufacture of the drugs now being used, especially antibiotics. There is a difference of opinion among the best physicians in this country as to the reaction to these drugs, and we must be careful. It is comforting to know that our Department of Health is very efficient.

I have been at the United Nations several times. On one occasion I was there when narcotics were being discussed. You are aware that in the General Assembly the delegates talk very generously—people like to make a good impression on their neighbours. However, in committee it is a slightly different matter. Each delegate knows what he wants, and when matters are discussed in committee one discovers what the individual delegate's real interests are. One country may grow the raw material for the drug; another country may manufacture it from herbs; there are people who trade in it; and they are all looking after their personal interests. Then, ultimately, you have to try to satisfy as many as you can, and that is a difficult problem.

At one point in the discussion on narcotics the Canadian delegate, who was a pharmacist and who was playing a leading role in the discussion, received a note from the Russian delegate which read, "I compliment you Canadians on the fine way you do this." We

thought that was a great compliment from a man who was not in the habit of paying compliments to the committee members.

With regard to public health, we are in a field of mystery and experiment, a field in which we need the best of experts giving of their knowledge and experience. After all, each of us has only one life to live, and a man likes to live it in as healthy a manner and for as long as he can. In recent years our life expectancy has risen appreciably. In former days a man was old at 75 years. This has improved, and expectancy is now much longer, largely because of the progress in public health in all its features. Be that as it may, the fact is that people are living longer and at a faster pace. So, for that reason alone, this bill is important. I hope that we shall all attend the meeting of the committee, tell what we know, and try to make sure that our officials are doing a good job.

The introduction of a new drug is a very serious matter. The drug is tested for years before it is distributed to the public. Samples are given to the doctors, who report their experiences with it. Testing is most important.

Honourable senators will recall the tragedy of thalidomide in the United States. It was a nurse who fought against its use, and who really saved the United States from the effects of that medicine that destroyed the limbs of unborn children. Canada did not suffer as much, but there are many children in Europe who are deformed because this drug was administered to their mothers. That nurse in the United States asserted herself and took a chance, but she prevented the drug finding its way into the veins of the people of this country, and in that respect she did us a great service.

It is to be hoped that the people in the medical profession here are equally alert—and, of course, the record of the nursing service in Canada is splendid. We do not have sufficient doctors, and I am afraid that too often the doctor has been the last to be paid. I might mention here that in my community he was the first. However, in these modern days I think the doctors are reaching a little too far. I am saying this because I have been connected with the drug industry all my life. I am a friend of the doctors, and I only give advice when I think it is needed.

On motion of Hon. Mr. Macdonald, for Hon. Mr. Sullivan, debate adjourned.

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—DEBATE CONTINUED

The Senate resumed from Thursday, November 6, the debate on the inquiry of Hon. Mr. McDonald, calling the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO Bases in Europe.

Hon. Hédard Robichaud: Honourable senators, I am sure you will agree with me that there is indeed very little I can add to the comprehensive and informative report made to this chamber on Thursday, November 6 by our colleague the honourable Deputy Leader of the Government (Hon. Mr. McDonald). Senator McDonald called the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly held at Brussels on October 16 to 21, and particularly to the visit of the parliamentary delegation from Canada to NATO bases in Europe.

Senator McDonald's description of his contacts with members of our forces in Europe will make Canadians better informed and fully aware of the usefulness and effectiveness of the contribution of Canadian troops within the NATO alliance. I should like to state at once that I am not among those who are prepared to admit that the policy of the Government in withdrawing some of our troops from NATO is absolutely wrong. After listening to the discussions which took place at the Fifteenth Annual Conference of the North Atlantic Assembly at Brussels, and after having personal talks on the subject with members of other countries present, I am convinced now more than ever that the role to be played by the Canadian forces remaining abroad is one of major importance, and it can be related to a practical and logical reappraisal of NATO policy and strategy. Throughout the meetings at Brussels the continuing commitment by Canada to NATO and Europe was affirmed and emphasized in no uncertain terms by Canadian representatives.

Following Senator McDonald's report, our colleague, Senator O'Leary, expressed some disappointment at the fact that when members of the Senate return from NATO conferences and make their report to this chamber

they always stress one part, or one obligation, of the NATO alliance, namely, the military aspect. Senator O'Leary then referred briefly to NATO's other obligations and commitments, and particularly to the clause in the treaty dealing with the economic and social importance of NATO countries. He must have been reading my mind because my main reason for moving the adjournment of the debate was to report to this house, and so inform honourable senators, not on the social functions which normally take place on such occasions but on those parts of the discussions at Brussels dealing with NATO obligations or objectives not directly connected with the military aspect of the alliance.

It is my intention to refer particularly to the proposal made by President Nixon to the Council of Ministers in Washington last April, in his address at NATO's twentieth anniversary commemorative session. The President of the United States then urged the creation of a committee on the challenges of modern society, to explore ways in which the experience and resources of the Western nations could most effectively be marshalled towards improving the quality of life of our peoples, and thus contribute to the economic and social well-being of member countries. On that occasion he said:

> The Alliance of the West needs a third dimension. It needs not only a strong military dimension to provide for the common defence; not only a more profound political dimension, to shape a strategy of peace but it also needs a social dimension to deal with the quality of life in this final third of the Twentieth Century.

Those words reflect a growing concern for the need to bring man and his environment to terms with each other, and, judging from the discussions which took place in Brussels, members of the alliance are becoming more and more conscious that they share common problems which, unless squarely faced, could imperil the progress and welfare of their societies.

It appears to me that when the North Atlantic Treaty was signed on April 4, 1949, an important step was taken towards the integration of Europe and a partnership of the Atlantic world. The alliance was to serve not only the purposes of common military defence, but also of co-operation in the political, social, economic, and cultural fields.

In the course of the years which have elapsed, NATO's task, while it may have been changing, has grown. It offers to the allied nations a challenge to carry out those reforms in state, society, economy, and even politics, which must be introduced and implemented if we want to master our future. What is needed today is a policy which permits change, and can adapt itself to the situation of the day and the problems of the future.

The Canadian parliamentary delegation did not in fact limit itself to the military or defence aspect of NATO. Prior to the Brussels meeting the Canadian group visited Strasbourg and held important and most valuable discussions with staff members and representatives of the Council of Europe. A full day's briefing and deliberations with members of this effective league, comprising 18 member states and affecting the lives of 300 million Europeans, made us fully aware of the noble aims and objectives of this council. We learned of their efforts to achieve a greater unity between its members, thus resulting in safeguarding and realizing the ideals and principles which are their common heritage and also facilitating their economic and social progress.

Composed of a committee of ministers and a consultative assembly served by a full-time secretariat, this council has, since its formation some 30 years ago, concerned itself with such problems as economic policies, legal co-operation, human rights, education, culture and leisure, natural resources, social affairs, health and hygiene—in other words, with all matters dealing with human environment.

At the Brussels meeting the Canadian delegation also took active part and played an important role in such committees as the political committee, the economic committee, the scientific and technical committee and the committee on education, cultural affairs and information. Not only were the Canadian representatives active in the discussions which took place during the committees' sittings, but the co-ordinators and others also had their word at the plenary sessions when the reports and resolutions of their respective committees were presented or introduced for adoption. At such meetings, recommendations were made and resolutions were adopted affecting such problems as urging the governments of the other 14 members of the alliance to utilize all appropriate means to bring about a prompt return by Greece to free elections, parliamentary democracy and the rule of law. They were urged to concert their actions in this respect.

Among other resolutions adopted, one resolved that the United States, in continuing

close consultation with its NATO and other allies, should be urged to pursue efforts to seek agreement with the Soviet Union, on a basis consistent with enhancing western security, on limitations to the strategic nuclear arms race.

The continued absence of an official parliamentary assembly to discuss matters of mutual concern to all member countries of the Atlantic Alliance was noted with regret. A resolution was passed urging members of the assembly to initiate appropriate action in their parliaments to bring about the recognition of the North Atlantic Assembly as the parliamentary consultative body of the North Atlantic Alliance.

The economic committee expressed its concern at the urgent need for increased economic aid to developing countries. It recommended that members of the alliance co-ordinate and increase their economic assistance through multilateral agencies such as the World Bank and the special fund of the United Nations. The committee, aware of the problems created in world trade by the existence of numerous and complex non-tariff barriers, also made numerous recommendations to the North Atlantic Council. It urged that all members of the alliance redouble their efforts to resist protectionist pressures. Furthermore, this committee also recommended that the members of the alliance consider the possibility of closer co-operation in national efforts to combat inflationary tendencies.

It is not my intention at this time to bring to the attention of honourable senators all the recommendations and resolutions adopted by the Fifteenth Annual Conference of the North Atlantic Assembly. However, may I be permitted to refer briefly to one main problem which seemed to attract considerable attention and create a general interest during the discussions which took place before various committees and also at the plenary sessions. There seemed to be unanimous consent among members that measures to combat the problem of pollution have proven inadequate and have failed.

The scientific and technical committee had long discussions on what was considered to be continued neglect of the urgent world problem of pollution affecting both inland waters and the oceans. It was made evident that such neglect could soon result in our reaching "the point of no return". The assembly urgently recommended to the North Atlantic Council that each member give national support to a co-operative plan to gain control of the situation. An initial step should be the establishment of a control centre to monitor the type and degree of pollution of international inland waterways.

A member of the Canadian delegation, Mr. Ian Watson, M.P. for Laprairie, introduced a resolution at this committee affecting research on Arctic waters. Recognizing the fact that the Arctic regions represent the world's last unspoiled frontiers from the standpoint of water pollution, and noting the plans now under way for extensive oil operations and transportation in the Arctic areas, a resolution was introduced and passed recommending:

(a) An operational research study to determine environmentally acceptable levels of oil pollution occurrences in cold temperature waters and pollution safeguards to be required of oil tankers and pollutant-carrying maritime traffic in Arctic and North Atlantic waters.

(b) A research project into the effect of oil and other chemical pollutants on the marine biology and ecology of the cold temperature waters of the Arctic and North Atlantic Oceans.

(c) A supporting program aimed at developing improved methods of combating pollution in cold temperature waters.

This resolution, as honourable senators realize, is well in line with and conforms to statements which have since been made by the Right Honourable the Prime Minister, and by the Minister of Transport, following the return of the *Manhattan* from its Arctic expedition or its northwest passage.

Another resolution emanating from the scientific and technical committee was that introduced by Senator Pell of the U.S.A. regarding the need for an ocean space treaty. This recommendation urged the North Atlantic Council to endorse through the member nations the urgent introduction of an ocean space treaty, to institute a system of international control. In doing so, provision was made for the definition of the continental shelf; the setting up of a licence—granting authority; the creation of an international seaguard to insure the observance of the principles of the treaty and, finally, the setting up of an adjudicating body to decide disputes.

The proposal made by Senator Pell involved new principles establishing fixed limits for defining the outer boundaries of the continental shelf of coastal states. His suggestion that the term "continental shelf" be used

to refer to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea to a depth of 550 meters, or to a distance of 50 miles from the base lines from which the breadth of the territorial sea is measured, whichever results in the greatest area of continental shelf, is one that must be approached with the greatest care and caution, but also one that deserves careful consideration by Canadian experts in this field. I express the hope that officials of the Department of External Affairs will study these proposals, and that opinions will be expressed making known the Canadian Government's position on Senator Pell's resolution.

Honourable senators, I have attempted to place before you in a few words some of the subjects, outside those of a military nature, that have attracted the attention of parliamentary delegations at the Fifteenth Annual Conference of the North Atlantic Assembly held at Brussels from the 16th to the 21st October. All honourable senators will agree with me that, judging from the wide scope of discussions that took place, one must come to the conclusion that the NATO treaty is more than a military alliance, that the alliance of the West seems to be reflecting more and more its concern for the quality of life in this final third of the twentieth century, and for the need to bring man and his environment to terms with each other.

In conclusion, I also wish to thank the Leader of the Government (Hon. Mr. Martin) for the opportunity given me of making this trip as a member of the Canadian parliamentary delegation. I also agree with the Deputy Leader (Hon. Mr. McDonald) that if Canadian representatives are to make their maximum contributions to the discussions in the North Atlantic Assembly there should be more continuity to its membership.

I want to compliment the officials of the Department of External Affairs on their excellent and most valuable briefing prior to our visit in Europe, and also to express my thanks and appreciation to Mr. Peter Dobell, Director of the Parliamentary Centre for Foreign Affairs and Foreign Trade, for his excellent advice, which has contributed so much to our better understanding of the problems before us for deliberation.

I thank honourable senators for giving me the opportunity to present this brief report.

Hon. Frank C. Welch: Honourable senators, two weeks ago I returned from a very interesting fortnight spent in Europe, visiting NATO headquarters in Brussels, Belgium, touring the Canadian NATO installations at Lahr, Germany, and also spending some time in Berlin as a member of the Canadian delegation. I wish to thank the Leader of the Government (Hon. Mr. Martin) for giving me the opportunity to make this most delightful trip overseas, which was also a form of education.

From what I have seen and heard on my trip, I cannot help but use the lines that I had intended closing my speech with, that in my opinion the situation in Europe is just as dangerous as it was in 1945, and that the possibilities of outright hostilities exist as much today as they did then. Yet the Department of National Defence, in a statement made on September 19 by the Honourable Leo Cadieux, Minister of National Defence, presented a statement saying that the Canadian Government is intending to pull its forces out of Europe, not completely but making a very large reduction; to be precise, according to the minister, a reduction of 16,000 military and 5,000 civilian personnel. I feel from first-hand observations that the minister's findings are not to the nation's best advantage, even though I agree it will mean a considerable saving to the taxpayers of Canada.

Leaving you with these remarks to ponder for a few moments, I would like to briefly review what NATO is and what its functions are. I do this simply because possibly some of you are really not aware of when it was formed and what its functions are, as I must confess I, like many more, was not, even though it has been a household word for the past 20 years.

On April 4, 1949, twelve foreign ministers from Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, United Kingdom and the United States, met in Washington and signed a treaty on behalf of their individual nations, their purpose being collectively to create the biggest common defence system the world had ever known in peacetime, and to link the new world with the old in a mutual defence pact.

The North Atlantic Treaty Organization—or shortly, NATO—is composed of permanent representatives of each member country. It meets at least once a week under the chairmanship of the Secretary General, and can be called together at very short notice if necessary. It meets at least twice a year at ministerial level, and the spring session is usually held at one of the NATO capitals.

What is NATO? In a few words, it is an intergovernmental body. All council decisions are taken in complete agreement by all members concerned, and it has the ability to change all decisions to meet changing circumstances when they arise.

What are the aims of NATO? Its first priority is to meet the commitments under the treaty, which is to create a common defence system capable of protecting all territory under its jurisdiction against possible attack. At the end of the war all the allied armies were in a sad state as to manpower and equipment, while the Russians were nearly at their wartime level. The creation of a common defence system was accomplished by setting up three commands: a European Command, an Atlantic Command, and a Channel Command. I need not burden you with an explanation of these three individual commands, as the areas are fairly well known and I do not wish to bore you with too many facts.

How was unity brought about? As would be expected, all countries did not think alike or share the same views, and this showed a need for a co-ordinated viewpoint and foreign policy, and thus have a common approach to mutual interest for all concerned.

With this in mind, a committee of three was elected—Foreign Ministers Gaetano Martino of Italy, Halvard Lange of Norway, and Lester Pearson of Canada. The view of the three was put in few words: "There cannot be unity in defence and disunity in foreign policy."

Finances were another problem facing the alliance, for in the early days it was the lack of major installations, such as airfields, pipe lines, harbours, et cetera, which were a necessity if the common defence system were to be made to work. This was adopted by all members contributing to the common-user installations. To date, $3,600 million have been used in this way.

As you know, France withdrew from NATO in March 1966, and this withdrawal posed a serious threat to the organization. But the planning and the relocation of the forces under such circumstances, and on such short notice, is an example of how the working of NATO is carried on. The withdrawal of France involved more than 100,000 people and the transfer of over one million tons of stores and equipment. Although France does participate in men and materials, it has remained a member of the alliance.

After this happened, Pierre Harmel, Belgium's Minister of Foreign Affairs, drew up what is known as the "Harmel Report". The basic aim of that report was to have the allies foster a further movement of East-West relations that in the end would result in some agreement between the two factions. In short, it was described as a ways and means of coming to a mutual agreement between the members of the alliance and the Soviet Union for a reduction in overall troop strength by both parties.

No sooner had these attempts at a peaceful and complete agreement for both parties concerned taken place than the Soviet Union on August 20, 1968, with help from four other Warsaw Pact nations, invaded Czechoslovakia without warning. This was the bursting of the bubble for any such agreement, and once more collective defence was on top of the list of priorities with NATO.

Now, one might ask if the invasion of Czechoslovakia caught NATO napping? In this case there were three particular types of warnings: political, strategical, and technical. NATO knew what was happening and what was going to happen, but they did not dare to intervene in the invasion simply because Czechoslovakia was not in the NATO area, nor was it a member of the organization. Any action by any NATO country could have triggered World War III. Moreover, the Czechoslovakian government had requested no assistance from any country.

One may now ask the question: Has the Soviet threat changed over the years; can it now be said that we can safely withdraw troops from NATO without fear of reprisal?

The Czechoslovakian incident has shown that the Soviets are still willing to use force to show authority, and that the Soviet government is prepared and willing to sacrifice its image to further its aims and to keep Warsaw Pact members in line at all costs. It can also prove that it is not in the interests of peace and security that NATO be disbanded. If NATO is further reduced it may increase the threat of aggression in certain sensitive areas such as West Berlin, the Federal Republic of Germany, and Rumania and Yugoslavia, two countries where it is suspected the Soviets would like to put more teeth into the communist or socialist governments to bring them closer to the Soviet way of thinking. If NATO were to lessen its troops or activities, I am afraid the heel of communism would quickly spread over Europe.

To give you an idea of the strength of the Soviet Union, I would point to the growth of the Soviet navy. Within the past two decades the U.S.S.R. has become the second maritime

power in the world, next to the United States. Its fleet of 360 submarines, many of which are nuclear powered and nuclear armed, is the largest in the world. They are building approximately ten new submarines a year. Nine hundred marine design engineers and naval architects graduate each year in Russia, more than any other country in the world.

Their oceanographic research fleet is larger than all other fleets put together. They have the finest fishing fleet in the world, which can easily be made over to carriers.

Other figures of Soviet strength include—and all these figures are approximate—15 cruisers, 100 destroyers, 100 escorts, 360 submarines, well over 1,000 fast patrol boats, mine sweepers and amphibious type vessels, and one helicopter-carrier which carries up to 30 helicopters.

Soviet naval aviation—60 light bombers, 350 medium bombers, 150 reconnaissance aircraft, 210 anti-submarine aircraft, 90 transport planes, and some 70 helicopters.

The Soviet Union's oceanographic research fleet, numbering about 200 ships, is larger than those of the rest of the world put together. The Soviet Intelligence fleet has some 36 surveillance ships.

During our trip we saw many things and visited many places. We were entertained by the King of Belgium, and we visited the Canadian NATO base at Lahar. But what stands out most vividly of all was our visit to Berlin.

I had not seen Berlin after the war, but from all reports it had been reduced to rubble. However, with spartan effort the Berliners and West Germans have been rebuilding their city despite interference by the Soviets such as the Berlin blockade when everything had to be flown in. This blockade was later discontinued, allowing free access to the city.

At the end of the war, one-third of Berlin, an area of 340 square miles, was totally destroyed. Once a city of six million people, East Berlin now has 2.2 million and West Berlin 2.2 million, with 20 per cent of the population being over 65 years of age.

An intensive building and restoration plan has been going on in West Germany and in Berlin. Many of the bombed buildings have been reconstructed with the same stones and appear as they did years ago.

An extensive building program is under way in West Berlin, with 17,000 to 18,000 housing units being built each year. These are two-, three-, and four-room low-rental units which are being made available to elderly people.

I was told there is no unemployment. The labour groups are very responsible people, and in most cases keep the wages of tradesmen at a reasonably low rate. They import tradesmen from France, Italy and other nations.

As I mentioned, one-third of the city was destroyed. Two-thirds of that area has been restored, about 90 per cent of the money coming from public financing and 10 per cent from private capital. Interest rates are also unbelievable, running from one-half to one per cent. To give you a further idea of the building boom and surplus money, the city is now building a 1,300-bed hospital at the cost of $80 million.

The Atlantic Alliance comprises 15 nations with a total army, navy and air force complement of 5,366,356 men. These are not all stationed in Europe, of course. The alliance has a total gross national product of 25,885 per capita in United States dollars, with a combined population of 519,940,000 people. The defence expenditures as a percentage of the gross national product per country can be broken down as follows: The United States, Germany, the United Kingdom, Italy, France, Turkey, Canada, The Netherlands, Belgium, Portugal, Greece, Denmark, Norway and Luxembourg. Only Belgium, Denmark and Luxembourg contribute less of their gross national product than we do in Canada. All these countries have a smaller population than we have, mostly less than half.

Our delegation visited the Canadian base at Lahr, as I said previously, where we were briefed on the activities of our forces. Those forces will be greatly reduced by July 1970 and, according to reports, there will be a reduction in our aircraft from 108 to 36. We now have four bases, but after cutbacks we will have only two bases, and land forces will be reduced from 5,300 to 2,800, and civilian employees will be reduced by 900.

I could dwell on the cutbacks in general, such as the abolition of the Black Watch regiments and other units, which to me is the whittling away of Canada's historic traditions and of those things which have any resemblance to our British heritage. But this is straying from the subject at hand.

Honourable senators, before people decide to cut down on our NATO forces they should visit Berlin and see a once great city divided by a high wall, with guards ready to shoot to kill any person who tries to cross it without

permission. Should the guards miss, vicious dogs are turned loose to attack their victim. Either way there is no second chance. This is an expensive price to pay for freedom.

Along the "wall" route and at "Check Point Charlie," which is what the gateway is called, monuments have been erected in memory of those who have tried to cross the border to freedom, only to be shot in the back by guards. Russia is reported to have 140,000 troops stationed on the east side of the wall. These troops are well-equipped and ready for action at a moment's notice. Having gone to Berlin and seen these conditions I am glad we have such a force as NATO to protect us.

The Government does not have to reduce our NATO strength in order to save money. If it really wishes to save money, let it rearrange the whole system of sending our troops. It would be cheaper for us to send our men for a period of one year without their families. After all, Canadian troops during wartime were not accompanied by their families.

In closing, I return to my opening remarks. From what I have seen, I believe the situation in Europe is just as dangerous today, and that the possibilities of outright hostilities exist as much today as in 1945.

On motion of Hon. Mr. Macdonald, for Hon. Mr. Grosart, debate adjourned.

OIL AND GAS PRODUCTION AND CONSERVATION ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Harry Hays moved the second reading of Bill S-5, to amend the Oil and Gas Production and Conservation Act.

He said: Honourable senators, responsibility for this bill will rest with the Minister of Energy, Mines and Resources. The bill had its first reading in the Senate on October 23.

In its present form, the Oil and Gas Production and Conservation Act, which received Royal Assent on June 27, 1969, provides statutory authority for the control of oil and gas operations on Canada lands in the Yukon and Northwest Territories.

The new bill is designed to amend the Oil and Gas Production and Conservation Act so that it will apply to Canada lands offshore from Canada's sea coasts as well as to those in the Territories. The significant amendment is with respect to section 3, the area of application of the act. Other amendments are simply for the purpose of giving effect to the respective mineral resource administration responsibilities of the Department of Indian Affairs and Northern Development, and the Department of Energy, Mines and Resources.

As to the reason for Bill S-5, it is necessary to establish comprehensive legislative authority governing offshore oil and gas operations, to cope with the increasing tempo of offshore exploration activities, in particular oil and gas drilling and production operations. This is emphasized by such incidents as the recent Santa Barbara Channel disaster. The Oil and Gas Production and Conservation Act, when amended, will provide comprehensive statutory authority for control of oil and gas operations, prevention of waste, and safety of operations in offshore areas.

In brief, the amended act will provide, as follows, for Canada lands both in the Territories and in offshore areas:

(a) Authority for the Governor in Council to make regulations for the control and administration of all physical operations associated with the development, production, storing, and other handling of oil and gas, including such matters as safety and pollution.

(b) Requirements for the conservation of oil and gas and prohibition of waste.

(c) Authority to require pooling and unitization under certain circumstances. Wide spacing of wells consistent with good engineering practice and early unitization of fields will be a key to assuring that production costs are kept to a minimum so as to help make the oil and gas produced competitive in world markets.

(d) Authority for ministers and designated officers of the crown to carry into effect the requirements of the act by the issuance of directives and orders in prescribed circumstances.

(e) Establishment of an oil and gas committee to advise ministers and hear appeals from orders and directives.

The Oil and Gas Production and Conservation Act is the product of several years of study and discussion by officials of the Department of Indian Affairs and Northern Development, and the Department of Energy, Mines and Resources, including discussions at various stages with the Canadian Petroleum Association and the National Energy Board. When the draft act was first prepared, the then Department of Northern Affairs and National Resources was responsible for administering the mineral resources of

all Canada lands, and the original intent was for the act to apply to the Canada lands of both the Territories and the offshore. Early in 1966, responsibility for administering the mineral resources of certain areas, including the Canada lands off the east and west coasts and in the Hudson Bay—Hudson Strait region, was transferred from the then Department of Northern Affairs and National Resources to the then Department of Mines and Technical Surveys, the present Department of Energy, Mines and Resources.

In the following year it was decided that because of the necessity of ensuring orderly development of the oil and gas resources of the Yukon and Northwest Territories, particularly with respect to the recently discovered Pointed Mountain gas pool, the draft Oil and Gas Production and Conservation Act should be enacted as soon as possible. At that time the offshore mineral rights situation was at a particularly sensitive stage, the west coast reference being still under consideration by the Supreme Court, and there was no federal-provincial accommodation in sight. The draft act was therefore revised just enough to make it applicable only to those Canada lands in the Yukon and Northwest Territories.

It was envisaged that at an appropriate time, possibly before coming to Parliament, the proposed act would be amended as to apply to all Canada lands, those in the offshore as well as those in the Territories. This would eliminate the necessity of eventually having two federal acts governing oil and gas matters in respect of Canada lands, one for the Territories and one for the offshore.

The offshore situation has changed markedly since the decision was made to proceed with the draft Oil and Gas Production and Conservation Act in a form that would make it applicable only to the Yukon and Northwest Territories.

On November 7, 1967, the Supreme Court of Canada handed down its advisory opinion on the west coast reference, which was unanimous in finding entirely in favour of Canada with respect to the resources of the submerged lands lying offshore from the "ordinary low water mark" and outside "harbours, bays, estuaries and other similar inland waters". Since the principles forming the basis of this opinion appear to be substantially applicable to the east coast as well as to the west coast, the main problem became one of delimiting the areas of federal and provincial jurisdiction.

[Hon. Mr. Hays.]

On November 29, 1968, the Prime Minister sent a letter to the provincial premiers outlining the federal position concerning offshore mineral rights, and followed this up on December 2 with a comprehensive announcement in the House of Commons. In brief, the announcement involved the establishment of mineral resource administration lines to divide areas of federal and provincial administration, with the federal Government continuing to administer the mineral resources on the seaward side of these lines. Administration of the mineral resources between the lines and the shore was offered to the coastal provinces, which would receive all revenues accruing therefrom. Furthermore, the provinces were offered half the revenues accruing from mineral resource exploitation within the federally administered areas off the east and west coasts and in the Hudson Bay region, with these revenues being placed in a single pool to be distributed among the provinces on a basis acceptable to them.

The Prime Minister sent a further letter on February 27, 1969, to the provincial premiers concerning the establishment of mineral resource administration lines in the Hudson Bay-Hudson Strait region, as well as a line marking the northern limit of the national pool area, that is, a boundary between submerged lands adjacent to the provinces and those adjacent to the Northwest Territories and the Arctic Islands. This was followed up by an announcement to the same effect on March 4 in the House of Commons.

The Prime Minister's announcements on offshore mineral rights served as a stimulus to offshore exploration in the regions involved, off the east and west coasts and in the Hudson Bay-Hudson Strait region. This is reflected in the marked increase in applications for exploratory permits as well as in the number of new exploration programs. In total, approximately 550 million acres are presently held under offshore Canada Oil and Gas Permits. They are made up as follows: east coast, 262 million acres; Hudson Bay-Hudson Strait, 126 million acres; west coast, 16 million acres; and Arctic, approximately 145 million acres.

It may be of interest to note here for purposes of comparison that the total area of Canada's submerged continental margin, including the east coast region, the west coast region, the Hudson Bay-Hudson Strait region, and the Arctic region, is in the order of 1.5 million square miles, which is almost 40 per cent as large as the total land area of Canada.

Offshore Canada Oil and Gas permits now cover more than half of this area, approximately 860,000 square miles.

The upsurge of exploration activity is especially pronounced in the east coast region. Permits issued off the east coast alone now cover an area—409,000 square miles—about twice as large as that of the four Atlantic Provinces combined including Labrador, stretching in an unbroken belt for some 2,000 miles from the Gulf of Maine northeasterly to the Grand Banks and thence northerly to Hudson Strait.

Geophysical surveys have been conducted throughout this region up to 300 miles off our coasts and commonly in areas with water depths of several hundreds of feet and, in places, several thousands of feet. In September an extensive drilling program commenced off the east coast on the Scotian Shelf, and there will be additional extensive drilling programs in east coast areas over the next year. Two semi-submersible drilling units are being built in Halifax at a cost of about $12 million each for two of these future programs. Each of these units will have a drilling capability of 25,000 feet, and the ability to operate in 800 feet or more of water. On the basis of announced drilling programs and tentative programs as yet in various stages of planning, it seems no exaggeration to estimate that some 50 exploratory wells will probably be drilled off the east coast over the next three years or so.

Drilling developments in our offshore areas have already outstripped the expectations of only a few years ago. The rapidly increasing tempo of offshore exploration activities demonstrates the importance of establishing comprehensive legislative authority governing offshore oil and gas operations. This need is further pointed up by incidents in offshore areas elsewhere in the world such as the recent Santa Barbara Channel disaster. Offshore oil and gas operations must be carried out in a manner that provides maximum protection against a disaster of this type in the vulnerable multi-resource ocean environment.

Honourable senators, I commend this bill to you. I would suggest that it should go to the Standing Senate Committee on Banking and Commerce. There are many questions which I probably will not be able to answer, and, in fact, I am also interested in asking a few questions myself.

Hon. Mr. Macdonald: Is the sponsor of the bill able to tell me whether the provinces affected have accepted the proposal of the Prime Minister, or do some of them still claim ownership of the offshore mineral rights in question?

Hon. Mr. Hays: I am not competent to answer that, Senator Macdonald. I suppose it would be very difficult to get all of the provinces to accept everything that the federal Government suggests, but, as I have said, I am not competent to answer the question.

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

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

THE SENATE

Tuesday, November 25, 1969

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

Prayers.

POVERTY

PRESS CONFERENCE—AUTHORITY TO SPEAK ON BEHALF OF SENATE COMMITTEE—QUESTION ANSWERED—PRIVILEGE

Hon. David A. Croll: Honourable senators, may I rise on a question of privilege to refer briefly to a question asked in the Senate on November 20, concerning the Poverty Committee, and reported at page 184 of the *Hansard* of that day?

First, let me say that no one speaks for the Senate but the Senate. No one spoke for the Senate Committee on Poverty. There was an informal press briefing conducted by an official of the committee, as is the common practice when the committee moves into a new area. That practice consists of giving to the news media the committee's terms of reference, a summary of its activities and some information on the members of the committee, usually taken from the *Canadian Parliamentary Guide.*

What was done in Vancouver was in keeping with the practice followed in other cities where the director was authorized to conduct the usual press briefing. In the course thereof words something like those quoted in the Senate *Hansard* of November 20 were used at some stage of the discussion but, as honourable senators are aware, when words are taken out of context and overdramatized the wrong impression or a unique emphasis may be conveyed. Needless to say, nothing in any way inflammatory was intended. The director was simply attempting to bring home the urgency of the problem of poverty, and in so doing he used his own words and was expressing a personal opinion.

It is, in my view, most important that the committee elicit a response from the country. So far, we have received a wide and varied response. In so far as the committee is concerned, the director has its complete confidence. In the course of the remarks made in the Senate there was reference to sedition. That reference was most unfitting and unfortunate, particularly as it applied to one who is a graduate of the Royal Military College, a former member of the Canadian Armed Forces and of the Defence Research Board.

Section 61 of the Criminal Code, dealing with sedition, reads as follows:

> ...no person shall be deemed to have a seditious intention by reason only that he intends, in good faith, ...
>
> (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.

The whole purpose of the committee is dedicated to the alleviation of the problems of the poor, and nothing else.

NUCLEAR NON-PROLIFERATION TREATY

RATIFICATION BY U.S.A. AND U.S.S.R.

Hon. Paul Martin: Honourable senators, yesterday in the other place the Prime Minister noted the importance of the event announced on that day by the United States and the Soviet Union, namely, the intention of these two governments to deposit instruments of ratification of the Non-Proliferation Treaty in regard to nuclear weapons.

Several months ago Canada ratified this treaty, which was tabled in this house and discussed at the time the instrument of ratification by Canada was deposited.

The declaration by the two major powers is a matter of the greatest importance. This treaty will take its place with the Partial Test Ban Treaty on nuclear weapons, the commitment made at the United Nations by members of that body to outlaw nuclear weapons in outer space. It marks a very important step.

For some time Canada has been urging the signing and ratification of the treaty by all powers, including these two powers who have now indicated their intention to ratify. We hope that this event will precede the coming into force of the treaty which Canada and some twenty other countries have now ratified.

Hon. Jacques Flynn: Honourable senators, needless to say, we on this side of the chamber share the satisfaction of the honourable Leader of the Government in the fact that the two great nuclear powers, the U.S.A. and the U.S.S.R., have decided to ratify the non-proliferation treaty in respect of nuclear weapons. The whole world is rejoicing with us at this very significant step towards eventually ridding the world of the threat of destruction by nuclear arms.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Ricard has been substituted for that of Mr. Caccia on the list of members appointed to serve on the Joint Committee on the Library of Parliament.

CUSTOMS TARIFF AND EXCISE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-140, to amend the Customs Tariff and to make a consequential amendment to the Excise Tax Act.

Bill read first time.

Hon. Paul Martin moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

EXPO WINDING-UP BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-6, to wind up the Canadian Corporation for the 1967 World Exhibition and to authorize the writing-off of certain costs and the deferral of certain payments connected therewith.

Bill read first time.

SECOND READING

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

Hon. Louis P. Gelinas, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the title of the bill is self-explanatory and will show why it is not necessary for me to make a long statement. It is:

> An Act to wind up the Canadian Corporation for the 1967 World Exhibition and to authorize the writing-off of certain costs and the deferral of certain payments connected therewith.

The purposes of this measure are therefore:

(1) To provide for the dissolution of the Canadian Corporation for the 1967 World Exhibition;

(2) To authorize the disposition of the remaining assets and liabilities of the Corporation;

(3) To stop interest accruing on the outstanding notes of the Corporation payable to the Government of Canada and thus prevent the accumulation of additional liability in respect to those notes; and

(4) To authorize the deferral to 1972 of certain payments by Quebec in connection with the operations of the Corporation.

In other words, this measure will delete from the accounts of Canada a portion of the deficit of the Corporation to be borne by the Government of Canada, not more than $125 million of the amounts shown therein as Accounts Receivable Expo Guarantees; it will also stop interest accruing on the outstanding notes of the Corporation payable to the Government of Canada with effect from the 31st day of March 1969; and, as I have said, it will authorize the deferral to 1972 of payment by Quebec, and I add, of not more than $5,500,000 due in 1969-70 in connection with the operations of the Corporation and the disposition of the remaining assets of the Corporation.

At this period of time most of the assets and liabilities of the Corporation have been disposed of; therefore, there is no useful purpose in continuing in existence something that really should be terminated. The initial proposed expenditures were largely surpassed. In April 1964 the Right Honourable Mr. Diefenbaker stated:

> When we entered into this plan it was made clear to us that Canada's contribution was to be twenty million, the contribution of the Province of Quebec fifteen million, and that of the City of Montreal, five million.

However, a few months earlier, in December 1963 he had said:

> We should also have information as to the total expected expenditure to be made on this fair...but this fair cannot fail. To allow this fair, representative of this nation, even to enter the spectrum of failure would give Canada a black eye internationally.

On the same day he added:

> Canadians as a whole have a great stake in national prestige to assure the success of this project. No one yet knows what the total expenditure will be

Finally, he said:

> There has been an estimate of $585 million as the total cost—

—an estimate I think made by the commissioner.

I have given these quotations to try to provide immediately an answer to the objection that has been made, and will probably be made again, of mounting costs from the time of the creation of the Corporation to the end of 1967. I wanted to show also that no one knew at the very beginning what the costs would be. I understand that Expo Osaka next year will cost approximately $2,300 million. So, the expenditures of Expo 1967, including the expenditures of federal, provincial and municipal governments, private firms and foreign governments represent a total less than half that of Expo Osaka—in other words, $1,100 million.

In passing, I would remind honourable senators that according to the figures given to me the Corporation built 847 buildings, 27 bridges and 51 miles of road. It then becomes clear why the Corporation itself spent more than $400 million, and why, in effect, $125 million may now have to be written off the accounts of the Corporation and be absorbed by the Government of Canada. As stated by the Director of the Canadian Corporation, Dr. A. G. Irvine

> The Government of Canada had on its balance sheet the notes of the Expo Corporation which have been replaced by notes issued by Quebec and Montreal. There is a balance remaining which is a claim as a guarantor on the Expo Corporation and it is that asset which has to be removed from the balance sheet and will, in fact, be extinguished by this appropriation.

Honourable senators will recall that at the last session the Minister of Finance pointed out that he had certain surplus from which the $125 million mentioned had to be deducted.

To come back to the finances of the Corporation, it should be noted that this financing was at first insured by grants given by each of the three governments to their financial committees and to the agreement entered into. Later the financing was done by loans made by the Canadian government, totalling $200 million. In exchange for the loans, notes were issued by the Corporation, guaranteed jointly by the Government of Canada and the Province of Quebec, and further loans were so granted which were made by the banks to the extent of $35 million.

The Canadian World Exhibition Corporation Act provided for the distribution of assets among the three governments,

> ...in such manner and subject to such conditions as the Governor-in-Council, with the concurrence of the Lieutenant Governor in Council, may prescribe.

By virtue of the other order in council referred to, the Government of Canada received on January 1, 1968 all assets on the land known as Cité du Havre, and the City of Montreal acquired all the assets situated on l'Île Notre-Dame and l'Île Ste-Hélène. I do not think it is necessary for me to enumerate in detail the structures and installations comprised in the distribution of assets. Certain other assets remaining, such as the art gallery and the Expo theatre, were attributed to the Province of Quebec.

Honourable senators, I do not intend spending much time on this introduction, as the committee which studies the bill will be able to obtain from the expert witnesses who appear before it all the facts and all the details required for their complete information. However, there are a few highlights I would like to mention briefly, as they may contribute to the orientation and the thinking of honourable senators in the committee.

The first point which I have tried to anticipate earlier is the cost of Expo and its escalation. Perhaps in this line of thought we should start by killing the myth that Expo was going to cost Ottawa $20 million and that this was the end of it. I tried earlier to show the absurdity of this proposition, which only one who was very naïve could have so construed. The earlier plan for Expo was not created—it grew, and grew and grew. It is evident that the first master plans were but a preliminary chapter in view of the short time available. The interest in this huge project accelerated hourly and new plans had to be made. As the costs grew, however, the benefits also increased, and it is for this reason that the cost deficit must be put in proper context.

Due to Expo, for instance, great steps were taken and great progress was made, which became evident in architecture, sculpture, painting, design, photography, publicity, the

graphic arts, visual aids, and in many other ways. All over the country the arts were greatly advanced within a very short time, perhaps more than they had in the previous decade.

Materially, added revenues were produced by way of taxes and otherwise to an extent that could hardly have been dreamed of. Tourism profited not only in Montreal but throughout the provinces and generally throughout the country. Not only was Montreal put on the map, but the whole of Canada became better known.

I will conclude by saying that in essence Expo was a good investment, even if many things had to be improvised under great difficulties, under stress and strain hard to imagine. Men and women devoted themselves to this project, which has been magnificent, profitable and a thing for which we should be not only proud but immeasurably thankful to the officers and management team of the Corporation and its devoted Board of Directors.

Before closing my remarks, may I now give you some vital statistics.

Overall cost of the project:	$1,100,000,000
Total deficit:	285,000,000
Tax revenues derived from Expo:	230,000,000
Increases in tourism revenue for year 1967 attributed to the exhibition were valued at:	480,000,000
Number of people who visited Expo: 50,306,000 and paid entrance fees in the amount of:	116,500,000
Cost of building shared between the three governments:	217,000,000
Book value after Expo:	75,000,000
Net cost of the 1967 Exposition to the Corporation: (including $20 million grant)	142,900,000
Cost to the Province of Quebec: (including $15 million grant)	106,000,000
Cost to the City of Montreal: (including $5 million grant)	32,000,000

Honourable senators, if this bill is given second reading, I shall move that it be referred to the Standing Senate Committee on National Finance for further study.

Hon. L. P. Beaubien: Honourable senators, in my view Expo 67 was definitely an unqualified success, and there is no question in my mind that it enhanced our international reputation. Certainly for the City of Montreal it produced tremendous benefits. We got roads and bridges; we got a tunnel under the St. Lawrence River for the Metro; we got a very elaborate ice control system at the top of the St. Mary's Current. When one realizes that Expo was built mostly on a man-made island, it is not surprising that the builders ran into many difficulties.

As far back as 1963, the Auditor General expressed concern that the operating budget certainly would exceed the amounts which had been allowed. In 1964 he drew attention to the obvious fact that the extent of the spending would exceed the grants. In 1965 he warned that certain aspects of the Corporation's financial control required improvements. He also said that the banking arrangements were not in order. As Senator Gélinas has just pointed out, when one considers that the federal Government's share was to be in the order of $40 million and it ended up at $285 million, one can appreciate that there was a certain amount of miscalculation all the way through. However, honourable senators, in my view it was worth every penny of it.

Hon. Senators: Hear, hear.

Hon. Mr. Beaubien: I strongly recommend the passage of this bill.

Hon. John J. Connolly: Honourable senators, I did not intend to speak to this bill, and it is difficult to do so after the excellent presentation which has been made by my colleagues from Montreal. I do not wish to talk about money; Senator Gélinas and Senator Beaubien have dealt with that aspect of it. I do not wish to talk about buildings or roads, or the man-made islands, the crowds or the value to Montreal. I wish only to talk for a moment about the reason why this great project became the tremendous international success that it was.

Honourable senators, the credit in the first place is due to that very dynamic man, the Mayor of Montreal, son honneur le maire Jean Drapeau.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I give him full credit, as all Canada should.

From what I remember of the original debate when this Corporation was set up, the then Prime Minister of Canada, the Right Honourable John Diefenbaker, was sold on the importance of this project as a great Canadian centennial venture, because of his

concept of the importance of Canada's centennial year.

I do not wish to forget that one of his ministers, Mr. Sevigny, went to the World's Fair Organization in Paris and succeeded in convincing them that the World's Fair for 1967 should come to Canada.

I single out three men in this instance who were in at the beginning. It is probably unfair to single out three, but they were important people in this exercise.

Honourable senators, too much credit cannot be given to Mr. Shaw, who really drove this project to the point where the fair could open on time, and to Mr. Kniewasser, and to the Honourable Lionel Chevrier, who did so much during the centennial year, and to the two ministers who were concerned in the Government which succeeded Mr. Diefenbaker's, namely, the Honourable Mitchell Sharp and the late Robert Winters, both Ministers of Trade and Commerce at their respective times.

We shall not forget the tremendous contribution made by the young people who worked as hostesses and as guides in almost every facet and aspect of that great institution.

The man I wish to single out above all others is the late Pierre Dupuy. He is a man we should never forget, for Expo 67 is his monument. I understand that it was he who conceived this new idea in world fairs. The old song, "Meet Me in St. Louis, Meet Me at the Fair," was something of the nineteenth century. Then world fairs became almost trade fairs. Pierre Dupuy had the concept that our world fair should be elevating and inspiring, not only to Canadians but to everybody who visited it. He conceived the idea of the world that man occupies being portrayed in the various national exhibits that were produced there.

Some of those exhibits were superb; all of them were excellent. They depicted not only the cultural, social and economic conditions of life throughout the world, even behind the Iron Curtain, but even projected into the future in an effort to get people to think of what lay ahead for mankind.

This has been a tremendous contribution to international goodwill and understanding. Perhaps some of it contributed to the signing of the non-proliferation treaty for nuclear weapons alluded to earlier this evening by the Leader of the Government and the Leader of the Opposition.

[Hon. Mr. Connolly (Ottawa West).]

Canada has derived great prestige from this fair. Even yet, when one visits foreign countries, people ask what has happened concerning Expo.

Expo was a thing in itself. It was a thing apart. It was Canadian. And yet it depicted the world village. For my part, I feel that a contribution to the man who had the concept of a fair which would tell man what he did not know about his world is a great monument to the memory of a great Canadian.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Gélinas, bill referred to the Standing Senate Committee on National Finance.

Leave having been given to proceed to Orders 3 and 4 of the Orders of the Day:

OIL AND GAS PRODUCTION AND CONSERVATION ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, November 20, the adjourned debate on the motion of Hon. Mr. Hays for second reading of Bill S-5, to amend the Oil and Gas Production and Conservation Act.

Hon. John M. Macdonald: Honourable senators, the main feature of this bill is contained in clause 3 which makes it very clear that offshore installations are included in the definition of "pipeline", and so brings such installations under the provisions of the act.

Now, honourable senators, you are all aware that there has been a long-standing disagreement between the federal and provincial governments as to the ownership of offshore minerals—of the minerals which may be present in the lands under the ocean floor.

As the sponsor of the bill mentioned, there is a reference to the Supreme Court of Canada as to the ownership of such lands on the west coast, and late in November 1967 that court handed down an advisory opinion on the west coast reference, finding in favour of the federal authority with respect to the resources of the submerged lands lying offshore from the "ordinary low water mark and outside harbours, bays, estuaries and other similar inland waters."

Apparently the federal Government has assumed that this decision, or the reasoning behind it, is also applicable to the submerged lands on the east coast and under the coastal waters of the provinces; and it must be on

this assumption that these amendments are now proposed.

Honourable senators, I do not know if the provinces affected by this bill, apart from British Columbia, have conceded to the federal authority the ownership of these submerged lands. If they have, then the sponsor is correct in stating that the main problem is now one of delimiting the areas of federal and provincial jurisdiction. In any event, I do think that we should be informed if the ownership of these lands has now been settled. Have the provinces affected, such as the Atlantic provinces and Quebec, for example, given up their claims and agreed that ownership rests in the federal authority?

Hon. Mr. Flynn: I doubt that very much.

Hon. Mr. Macdonald: The sponsor mentioned that the Prime Minister wrote to the provinces on November 29, 1968 and on February 27, 1969, in reference to the matter, but he did not give us any information as to what replies were made to these letters. The matter, of course, is urgent now on account of all the drilling for oil which is going on along the east coast. Now, if my memory is correct, the oil companies used to get drilling permits from both the federal and provincial governments, although I do not know if they have been doing so since the 1967 decision of the Supreme Court of Canada. I did see a reference to petroleum licences in the 1968 report of the Department of Mines of Nova Scotia. It said:

> $4,038,023 of work was recorded on petroleum licences which have been issued to cover some 90,000 square miles (54,000,000 acres) about 97 per cent submarine. Nineteen companies and individuals hold areas under the Petroleum and Natural Gas Act.

So I expect that these submarine areas must be offshore lands.

Honourable senators, I have read again the statement made by the Prime Minister on December 2, 1968 regarding this matter. He, too, appeared to assume that the decision of the Supreme Court would also apply to other areas than the west coast reference, and he proceeded on that assumption. Of course, that assumption may well be correct, although, in passing, I may say that I think it is always a dangerous course to assume what judges will do. In the past they have often made rather strange decisions.

In any event, the Prime Minister spoke of the grid lines the federal Government proposed to make to establish the offshore boundaries. He mentioned also the willingness of the federal Government to have negotiations with the provinces affected, in keeping with the proposal or commitment of former Prime Minister, Lester B. Pearson. However, from my reading of that statement the area in which the federal Government was prepared to negotiate was a very small one. In fact it appeared to me that they were telling the provinces "we will allow you one-half of the revenues we may receive from the offshore minerals and you can negotiate among yourselves as to how that amount will be divided among you."

Honourable senators, the sponsor mentioned also that after second reading he proposes to send this bill to committee. I think this is a very wise thing to do, so that answers may be given to the questions which are now in the minds of all of us. I do not think that the committee should meet tomorrow on this bill unless it feels certain that all parties who may be interested, especially the provinces, have had plenty of time to study the implications of the bill and do not desire to make representations before the committee. I think it would be a pity if the image of the Senate should suffer in this regard. As honourable senators are aware the reputation of the Senate and of its committees is that they are always prepared to hear anyone who wishes to be heard by them.

Honourable senators, I thank you for your attention.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Paul Martin: I think the intention is that this bill should be referred to the Standing Senate Committee on Banking, Trade and Commerce. In moving that it should be so referred, let me say to Senator Macdonald that we all appreciate the obligation of the Senate where it is felt that provincial interests are involved. There is an obligation on the Senate in these matters, which the honourable senator has quite correctly pointed out. I am sure the reply that he seeks will be given in committee when it meets.

Hon. Jacques Flynn: Honourable senators, I would like to put on the record that I hope

that the chairman of the Banking, Trade and Commerce Committee will give an opportunity to provincial governments who so desire to appear before the committee and to register any objections they may have or any comments they may wish to make. Of course, it may be that we will have answers from officials of the federal Government, but I would like these answers to be confirmed by the provincial governments concerned.

Hon. Mr. Martin: The remarks of the Leader of the Opposition and those of Senator Macdonald will, no doubt, be drawn to the attention of the chairman of the committee who has had to leave the chamber at the moment on business connected with the committee.

Motion agreed to and bill referred to Standing Senate Committee on Banking, Trade and Commerce.

YUKON PLACER MINING ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, November 19, the debate on the motion of Hon. Mr. Benidickson, for the second reading of Bill S-4, to amend the Yukon Placer Mining Act.

Hon. John M. Macdonald: Honourable senators, this item on the order paper stands in the name of Senator Haig, and as he cannot be here this evening he asked me to substitute for him. With the permission of the chamber, I would now like to do so.

The Hon. the Speaker: Is it agreed honourable senators?

Hon. Senators: Agreed.

Hon. Mr. Macdonald: Honourable senators, as I mentioned, Senator Haig is unable to be here this evening and rather than delay the consideration of the bill he asked me to substitute for him. He gave me some material he had gathered to prepare a speech, but in fairness to him I should tell you he had not compiled any notes for his speech, so my few remarks cannot be attributed to him. Indeed, I expect his remarks would be much different from mine, and little better or worse.

Hon. Mr. Martin: He could hardly have selected a better substitute.

Hon. Mr. Macdonald: Honourable senators, we are fortunate in having a former Minister of Mines sponsor this bill. He has a knowledge of the subject which enabled him to give a very clear and yet concise explanation of the effects of the proposed amendments. Personally, I should like to have heard him speak on this type of mining, especially its history in the Yukon and the methods employed, as I must confess I had little if any knowledge of this type of mining.

My interest being aroused, as it were, I looked up the definition of placer mining in the *Encyclopedia Britannica*. It states that this is a surface mining method applied to deposits of minerals accumulated into working quantities of economic importance through the natural geologic processes of weathering, erosion and disposition. An alluvial placer occurrence is one formed by the mechanical action of moving water, whether of streams or lakes or along a seacoast. Eluvial is a term applied to placers formed mainly by weathering and thus it is found close to the parent rock. Erosion of the parent rock has set free the heavy metallic components and these have worked down the slope because of the combined action of gravity and washing by rains. Once a flowing stream is reached, the metal may be carried a long distance before it is deposited. A placer deposit may be formed by concentrations of gold or tin or by a number of other minerals, but mining for gold is generally the most common.

So honourable senators it was this type of mining carried on by crude methods by which $100 million worth of gold was obtained from the placers of Yukon creeks between 1897 and 1904, inclusive.

The sponsor mentioned that in 1901 and again in 1902 about one and one half million ounces were recovered, while in 1968 the production has amounted to only about 10,000 ounces. At today's prices even 10,000 ounces would bring well over $37 million, so if we had this 1901 production today the value would be fantastic. Of course today we have assistance to gold mining by the provisions of the Emergency Gold Mining Assistance Act. It is interesting to note that this act applied to placer mining, and that advantage was taken of its provisions, though the amounts involved were never very large.

In 1948, according to the statistics contained in the report on the administration of the Emergency Gold Mining Assistance Act, 117 companies received assistance, and of these, 20 were located in the Yukon, so I expect

they were doing placer mining. Then in 1966 there were 59 companies getting such assistance, and yet 16 were located in the Yukon, but it does not appear that any of these Yukon mines have been receiving assistance since then. The sponsor mentioned that the Yukon Consolidated Gold Corporation had nine dredges operating. It is interesting therefore to note that this company in 1948 produced over 47,000 ounces of gold and received assistance in excess of $196,000, while in 1965 it produced over 32,000 ounces and received more than $155,000. Apparently, that company was the largest operating in the Yukon, so one would expect it received the largest amount of assistance, but 1965 seems to be the last year that name appeared in the report.

Honourable senators, I would be interested in learning if the source of this gold in the Yukon was ever discovered so that perhaps an ordinary mine could be sunk and gold obtained that way. One would expect, since such a large amount of the material was found, that there must have been a large deposit of the mineral somewhere, yet I do not know if it was ever discovered.

Honourable senators, it is not my intention to examine in detail the amendments proposed by clauses 1, 2 and 3 of this bill. The sponsor explained the effects of the new section 17, the repeal of section 19 of the act and of the additional section 93 of the act. Since he feels these are good and necessary, I am quite prepared to accept his assurance that this legislation is not harmful to the industry in the Yukon and that it is of benefit to the general area. I think we would all be prepared to accept that assurance.

The sponsor did not give any particular reason why the amendments are being made at this time, and perhaps there is no particular reason. It may very well be that, with the increased interest now being taken in the Yukon, all legislation regarding it is being examined with a view to possible amendments. If there is some particular reason, perhaps this could be made known when the bill is referred to committee.

The sponsor mentioned that he intends to send this bill to committee. I think that is a good idea. However, he also mentioned the committee could deal with it this week. Before dealing with it, I hope the committee will satisfy itself that these proposed amendments have been brought to the attention of the Council of the Yukon Territories—if that is the proper name—and of the mining people and other interested persons in the Yukon. It may be that some person or bodies might want to make representations to the committee. If so, they should be afforded every opportunity to do so.

Hon. W. M. Benidickson: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Benidickson speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Benidickson: I appreciate the remarks of the honourable Senator Macdonald. I have discussed this bill with Senator Haig, and I can assure Senator Macdonald that there is good reason for not proceeding this week with the consideration of this bill in the Standing Senate Committee on Banking, Trade and Commerce, and that we will accommodate the views of honourable senators opposite.

In general, I greatly appreciated what Senator Macdonald has said. Obviously he has an excellent grasp of the placer mining situation in the Yukon.

Hon. Mr. Macdonald: A very recent one, may I say.

Hon. Mr. Benidickson: In any event, he was erudite and I thank him for his comments. As the Opposition Whip, I think he knows the way in which to approach this side concerning the timing of making representations on this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report by the Tariff Board, dated September 5, 1969, relative to the Investigation ordered by the Minister of Finance respecting Fractions of Petroleum for use as Feedstocks in the Manufacture of Organic Chemicals, Reference No. 141 (English and French texts), together with a copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

DIVORCE

PETITION FOR BILL TO ANNUL RESOLUTION—REFERRED TO COMMITTEE

Hon. Donald Smith, for Hon. Lazarus Phillips, with leave of the Senate, moved:

> That the petition of Roberte Bérubé Gingras, of the City of Montreal, in the Province of Quebec, praying for the passing of an act to annul Resolution numbered 591, adopted by the Senate on 27th June, 1969, dissolving the marriage between the said Robert Bérubé Gingras and André Gingras, which petition was filed with the Clerk of the Parliaments on 25th July, 1969, in accordance with subsection (2) of section 2 of an Act authorizing the Senate of Canada to Dissolve and Annul Marriages, 1963, chapter 10, be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, with the concurrence of Senator Carter, I propose that the motion standing in the name of Senator Macnaughton be proceeded with at this time, and that Inquiry No. 2, standing in the name of Senator Carter, be dealt with later this day or as soon as possible thereafter.

Hon. Senators: Agreed.

ENVIRONMENTAL CONTROL

MOTION FOR APPOINTMENT OF SPECIAL COMMITTEE—DEBATE ADJOURNED

Hon. Alan Macnaughton moved, pursuant to notice:

> That a Special Committee of the Senate be appointed to consider and report upon
>
> (a) the current quality of the Canadian environment and identification of problems of environmental destruction and quality control,
>
> (b) the establishment of a national policy on environmental quality,
>
> (c) the establishment of administrative and research organizations in the Federal Government to implement that policy and to integrate and co-ordinate appropriate federal departmental and agency activities towards the achievement of the policy's objectives, and
>
> (d) encouraging the involvement of provincial and territorial governments in establishing a national policy and in developing their own policies in harmony with the national policy.
>
> That the Committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the inquiry;
>
> That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time; and
>
> That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place.

He said: Honourable senators, I rise to discuss a subject which today concerns every Canadian for it has the potential for adding a new dimension to the Canadian standard of living. That subject is the quality of our environment, our everyday surroundings in which we work and play. For a number of reasons which I will discuss shortly, we are in serious trouble because our environment is in serious trouble, and measures must be taken quickly and effectively to restore the health of our land, air and water and thus assure our own health.

Honourable senators will recall that on October 14 and 15 of this year, Senators Nichol, McElman, Martin, Flynn, Grosart and Hollett called attention to the "great and growing dangers to our natural environment created by man-made pollutants."

Senator Nichol stated the problem succinctly when he said, at page 1826 of the *Debates of the Senate*:

> We are being told every day by men of science that the natural balance of nature on our planet has been upset by the works of man to the point that a major ecological disaster is imminent.

Again, later on:

> ...man's current massive attack on the natural world is producing change which the system will not accept.

The Prime Minister, in a recent address, expressed his concern about the Arctic environment. The principles he enunciated have application to all of Canada. I would like to explore with you some of the problems our country faces in the light of those principles.

A definition of environmental quality is not easy to reach, for quality of a given state of affairs is a subjective and personal judgment. We can more easily define what we do not want. We deplore urban slums or mass housing developments that reflect the consequences of past or present technology, but ignore the beauty and utility of living things in open green spaces. Countrysides ravaged by unplanned development often become vast public garbage dumps of rusting cars, derelict buildings and eroded land. This is both economically wasteful and aesthetically unacceptable.

We do not want waters so polluted that we cannot swim or fish in them, or just enjoy being near or on them. We do not want our air so foul that we have to rush indoors to an air-conditioned, filtered environment in order to breathe freely. We do not want noise to intrude in our working and living places to the point where its presence is destructive of our work or pleasure, or, indeed, our health. We do not want to live in surroundings that are so completely man-made that we are no longer conscious of the natural world around us, or, if wanting to enjoy it, are unable to do so because it is gone.

To put it positively, there is a consensus among Canadians that economic progress alone cannot provide a satisfying or healthful life; that space, natural beauty, clean air and water, and quietness are essential elements that add immeasurably to the quality of our standard of living. I believe the realization of those qualities has urgent priority in our national goals.

A brief historical review of the development of this country reveals fundamental changes in attitudes toward our natural resources. Since the times of the first white settlement, Canada has been preoccupied with the task of building a great nation. To the earliest Europeans, our renewable natural resources must have seemed unlimited. Those resources played an essential role in the development of our country. The first detailed explorations of our coasts were done by mariners exploring marine resources—fish off the Atlantic coast, whales in the Arctic, and sea otters on the Pacific Coast. The exploration of the interior was done largely by fur traders seeking beaver and other valuable pelts.

Settlement in eastern Canada followed, largely agricultural in nature. The clearing of land and the subsequent forest industry either destroyed or greatly modified the virgin hardwood and softwood forests over much of Canada.

When agriculture ran out of good hardwood forest soils, expanding markets favoured logging beyond the limits of agriculture. While the white pine lasted, its high quality opened European and American markets. Then for a hundred years Canada's cutting of virgin timber has involved accepting more remote cutting areas and often increasingly inferior species. Canada's most productive forest land now grows mainly small young trees.

When good eastern soils became fully settled, the tide of agriculture swept to the prairies and rolled on to the mountains. Although the ploughing of the prairies was not as visibly destructive as the cutting of the hardwoods, there was little biological difference. Both involved the destruction of long established vegetation, changed the fertility of the soils supporting it, and altered the water regimes.

The pioneer attitude was, understandably, to tame the wilderness in the quickest and easiest way. When centres of population were no more than clearings in the forest, or patches of broken land in the unfenced prairie, little concern could be generated for problems of soil erosion, silting, pollution, resource depletion and the like. As the population increased our problems started. Short term gains predominated but long term losses were initiated.

Soils were impoverished or eroded, watersheds destroyed and water tables lowered. Fish and wildlife vanished or retreated, not so much from fishing and hunting as from the destruction of their environments.

Canada's population grew. Villages grew to towns, then cities. Industrial activity, after a long slow start, accelerated rapidly to make one of the world's smaller national populations into a leading industrial power. The increased industrialization and accelerated clustering of the Canadian population into a few large cities left the face of Canada emptier in most places than it had been for decades. The Economic Council has pointed out that we are now the fastest urbanizing western industrial society. By 1980 it is predicted that 80 per cent of Canada's people will be living in urban areas.

Along with increasing industrialization there has been an exploding volume of new technological understanding. A rapid evolution of industries now produces new miracles in physics and chemistry at ever accelerating rates.

While urbanization and technological advances may have benefited our standard of living, they have also meant new impacts on our environment and new public pressures. Part of the price we have paid has often been air and water laden with wastes, solid refuse littering our landscape, substances of unknown toxicity constantly eaten and breathed in and a daily environment polluted by ugliness, noise and congestion.

Water and air pollution are particularly serious threats. No one knows what ultimate effects water pollution will have on the total environment. It is known that severe losses of wildlife and fish result from it and that recreational use of water is being increasingly denied. The growing human population, with its growing water pollution consequence, and the rising demand for clean water will meet head on with the reality of supply.

Air pollution in many of our urban, industrialized areas, is known to adversely affect people. The incidence of respiratory diseases such as emphysema and bronchitis is higher in urban polluted areas than non-urban areas. Mixtures of pollutants which produce smog also produce eye and throat irritations. The annual cost of cleaning our buildings and other structures and repairing air corrosion damage is quite significant.

The Sixth Annual Review of the Economic Council of Canada drew attention to the many problems of pollution, and stressed particularly the necessity of considering the environment as a whole in dealing with those problems. Current concerns for pollution control or abatement are most encouraging, but I would suggest that we clearly have a long way to go before we can be confident that we have things under control.

The philosophy of the pioneer was based mainly on short-term needs for survival. Destruction of the old environment was a necessary part of creating a productive new one. Mistakes and over-use were not serious as long as one could pull up stakes and move on, as many did. But the days of the pioneers have in one sense ended.

There are now no new riches to move on to. We are stuck with what we have. When we leave a trail of wrecked landscape it must now be someone's inheritance. Our room for manoeuvering is rapidly drawing to a close and we are face to face with the reality that the basic requirements for life, air, water and soil are not unlimited, can no longer carry our refuse, and must be used wisely. The cost of achieving a clean, attractive environment will be high. The cost of not doing so will be disastrous.

People are products of the land. It is a basic rule in biological sciences that the quality of all living things is in part a direct result of the quality of their environments. Man is no exception to that natural law. Man is a part of the totality of living things. He has the power to destroy all life and yet he has the power to treasure it and use it to enhance his own life. The time has come for us to recognize this, directly and positively. The time has come for Canadians to examine the quality of their environment, to identify problems of environmental destruction, to devise ways of securing quality control and to see that those controls are carried out; in short, to make decisions about their standard of life as well as their standard of living.

Our physical and mental health demand it. There are hazards to human health in untreated sewage, concentrated motor vehicle exhaust, circulating environmental threats of radio-active fallout and pesticides and poisonous industrial effluents such as those that contain mercury, cadmium or lead. Sustained high noise levels are known to damage our sense of hearing permanently. The congestion and drabness of densely crowded enclaves are blights to many of our cities. They cannot do otherwise then provide little spiritual or emotional benefit to those forced by circumstance to live and work there. Indeed it results in the further alienation of many Canadians from their natural environment, from the very forces which have molded man from his beginnings. We do not have to accept such conditions, because it is within our power collectively to do something about them.

The maintenance of the productivity of our environments demands our concern and action. Are they maintaining their yield of food, fibre, sport, amenity, beauty and solace to man? To what extent has their bounty declined? Can we satisfy our environmental needs within a reasonable distance from home? To what extent is poor land use planning contributing to environmental deterioration?

Wildlife, including fish, are sensitive indicators of environmental quality. The lethal effects of pesticides and industrial effluents on our wildlife have been well documented. The changes in species, numbers and distribution of wildlife that have taken place over the last 100 years reflect directly the altered countryside man has produced. Are we content with those changes, or do we want to create the

right sort of habitats that will attract a variety of wildlife for our pleasure, education and conscience?

The Canadian environment has played a significant role in the Canadian identity. Much of the Canadian tradition and legacy concerns the striving of man to find a place in nature, rather than, as in many nations, the wars and quarrels of religions, races and political systems. Our first heroes were explorers, pioneers and fur traders, rather than tyrants or bandits. We still draw some vital part of our national character and identity from wilderness and white water, from hunting and fishing, from our knowledge of the great uninhabited tracts of forests, the immense and lonely barren grounds and the high arctic islands rimming the polar sea. We should be proud of that heritage, recognize its importance to our continued welfare and safeguard it for future generations.

A post-war phenomenon in Canada has been the rapid growth of outdoor recreation. Our national and provincial parks, ocean and lake beaches, fishing and hunting grounds, ski resorts and countless other recreation areas are facing unparalleled demands from the public. Serious consideration may even have to be given to restricting public use to ensure the continued existence of natural recreation areas. The very technology which produced the leisure and means to travel and enjoy the outdoors is threatening that outdoors in ways I have already described. We must ensure that our economic developments, so essential to our nation, do not destroy in the end the opportunity for Canadians to recreate themselves in healthful, aesthetically attractive natural surroundings.

We must take into account the continued growth of our population. One result of that growth was that in 1967, 49.3 per cent of all Canadians were under 25 years of age. As that age group enters the labour market and produces offspring of its own, one can forecast the great demands that will be made on our environment. Looking at it from another perspective, Canadians should be asking themselves how many people their resources will support with a high standard of living, in the environments we want. Unlike a number of over-populated countries in the world, Canada still has a choice before her—a high population with a low standard of living, or a low population with a high standard. I have simplified the choice, but its ultimate inevitability is certain.

Although still a young country, Canada has a rich history to which Indians, Eskimos and Europeans have contributed. In our rush for so-called progress, we should not overlook that history, nor neglect the archaeological sites and historic structures which can enrich our lives, add variety and interest to the Canadian scene and strengthen our Canadian identity.

I have outlined only some of the difficult problems facing this country in conserving, maintaining and using its environment. Our governments need the solutions to these problems. We must know what our environmental resources are worth in cultural, health, economic and scientific terms in order to plan wisely for their conservation and their rational development. We must categorize their uses, gauge the strength of the demands, assess their place in our national life and in our national identity, determine their contribution to health and fitness, as well as to the national economy, and judge the state of our custodianship.

The conservation and maintenance needs of the Canadian environment cannot be met by merely introducing more barriers to economic and technological development. The time has long gone that a passive or negative approach to conservation can be helpful. Man is changing his environment so rapidly that planning prior to change is essential if environmental quality goals are to be achieved. The issues to be faced are highly technical, concerning such diverse subjects as social attitudes, motives of the market place, effects of environment on mental and physical health and ecological understanding of plant and animal communities.

To meet the challenge, it is vital that we have a healthy research community active in the acquisition of basic knowledge and deployed in a concerted and co-ordinated attack on such urgent issues as are identifiable today. The monitoring of the environment, the definition of quality standards, and the means of achieving and maintaining them, all demand strong, scientific and technological competence and active involvement, with the important element of continuity.

The necessity for federal competence in environmental science is beyond question. Its location in the federal Government structure, and the involvement of the university community, needs close scrutiny. The universities, from which scientists in many disciplines must be recruited, will require both the encouragement of clearly stated objectives and new funding if they are to move increasingly

into long-term, complex, environmental research programs.

There are literally hundreds of agencies—federal, provincial, municipal and private—involved in one way or another in determining the character of the Canadian environment. A major problem is that there is no overall policy or administrative framework within which environmental destruction can be measured, prevented or controlled. Improvements, therefore, cannot be initiated except in ad hoc ways.

Within the federal Government there are a number of departments with responsibilities for natural resources. No single department, however, has the responsibility for establishing an overall view of the effects of population growth, resource exploitation and urbanization on the quality of our environment and on our standard of living.

The natural resource departments of provincial governments face a similar problem. Municipal governments are exercising an increasingly strong role in shaping the physical environments of their citizens, but in the absence of clearly articulated provincial and federal policies. What we require is a national policy on the quality of the natural environments of Canada as a prime determinant of the Canadian standard of living. Developing this policy will require extensive examination of the environmental problems facing us, definition of acceptable standards, and thorough discussions with governments and the public. When completed the policy must reflect our collective ecological conscience, our acceptance of wise stewardship of our environment for the benefit of our citizens and our natural heritage. Our society is too mature, too sophisticated and too knowledgeable to tolerate any longer mismanagement of our resources.

In our federal system of government the provinces have jurisdiction over most natural resources, and it is essential, therefore, that the establishment of a national policy be a truly co-operative Canadian endeavour, with the full participation of provincial governments in it. Upon agreement, the national policy could serve as a framework for the development of harmonious provincial policies. It is my hope that the provincial governments will recognize the national importance of the problem and work toward its resolution with us.

The assessment of environmental problems in Canada and the establishment of a national policy on environmental quality in themselves are insufficient to ensure that our surroundings will be what we want. Appropriate administrative machinery is necessary to implement the national policy and co-ordinate and integrate those activities of federal departments and agencies which are relevant to that policy. Thorough examination of ways and means of creating administrative and research organizations in the federal Government is required.

In a land that is often harsh and unforgiving of errors, Canadians have struggled and won for themselves one of the highest standards of living on earth. Yet now, as we become increasingly aware of our environmental excesses, it appears that we are following a course which practically guarantees a lower quality of life for all of us, and which may even threaten our survival. Perhaps you may think these last words are dramatic and exaggerated. Well, let me call a few witnesses and facts to your attention. U Thant, Secretary General of the United Nations, said recently:

> I do not wish to seem over-dramatic, but I can only conclude from the information that is available to me as Secretary General, that the members of the United Nations have perhaps 10 years in which to subordinate their ancient quarrels and launch a global partnership to curb the arms race, to improve the human environment, to defuse the population explosion and to supply the required momentum to world development efforts.

Former Prime Minister Pearson is reported by the Canadian Press at the United Nations to have put development aid in No. 4 position after peace, war and pollution among the important problems facing the world today.

Anthony Lewis, in the Montreal *Star* of November 21, 1969, writes:

> But if we are serious about the environment, some powerful country some day is going to have to put that interest ahead of prestige and profit and technological advance. The public is beginning to appreciate that, and the result will surely be felt in the politics of the future.

He referred to Michael Shanks, a British economist, who wrote in *The Times* of London that:

> ...the terms of political debate in England are undergoing a deep change at the end of this decade...In the 1960s we have all been trying, in the interest of

[Hon. Mr. Macnaughton.]

economic competitiveness, to hurry forward the process of change. In the 1970s the debate will be how we can live with and master our Frankenstein monster. We shall need to define in sector after sector the degree of priority to be given to efficiency and to human contentment.

Dr. Knelman, Professor of the History of Science at Sir George Williams University writes in the Montreal *Star*, May 30, 1969, under the heading "Technology Runs Wild":

> What is it about this age that has spread despair and unrest over the entire face of our planet, earth? New waves of disquiet appear every day and the tides of conflict increase in amplitude until they threaten to engulf and destroy us. The war is not confined to Vietnam or Biafra or the Middle East. It is in our streets, in our homes and in our hearts and minds. The barricades are being built on pastoral campus sites and the ghettos prepare for concrete jungle warfare. Affluence and poverty confront each other between citizens and countries. The generation gap cuts across all geographical, cultural and political lines. There is a world youth revolution challenging authority at every level from home to government.
>
> The key to unlocking the nature of the age of unrest lies in understanding what is happening in the realm of social change. The second half of the 20th century is witnessing an unprecedented technological revolution. A science explosion has created a new technological environment which has not only transformed our physical environment, shattered traditional values, destroyed old institutions, but modified the anatomy of our perception. Science and technology are the new social dynamics of our age, dominating economics, politics and culture.
>
> We are in the midst of a world crisis in values... It is of interest that the young are the most affected by the moral dislocation of our time.

Consider also these news items and matters of concern:

1. News of U.S. army plans to dump some 27,000 tons of chemical and biological warfare (CBW) agents into the Atlantic Ocean—almost half of this is an obsolete but still deadly form of nerve gas called Sarin—caused a flood of protest leading to abandonment of this plan.

2. Sewage disposal and garbage collection have become massive, costly technologies of urban existence. In a city such as Montreal, we produce some four pounds of garbage per person per day, or about eight million pounds per day, much of it of synthetic materials that resist natural decay.

3. Some 8 million automobiles in Canada produce almost 5,000 tons of carbon monoxide per day. This, along with 900 tons of sulphur oxide per day, largely from fossil fuels, such as coal and oil, form the major portion of smog. In the smog crises of London, New York and Los Angeles, thousands of deaths were directly attributed to the smog. Like D.D.T., a global pollutant, lead has been found from the Arctic to the Antarctic.

4. In every major city in the world there is an urban crisis of space, mobility, environment and human relations. Many cities face the problem of war in the streets. The crime rate is soaring, and the police are becoming an independent force, equipped with a quasi-military arsenal.

Our choice is simple: either we recreate our cities so that they genuinely fulfill human needs and desires, or we continue with our present laissez-faire attitudes, in which case we and the green earth with us will slowly be destroyed by the relentless encroachment of an impersonal concrete jungle overrun by machines, and made hideous by human conflict and frustration.

5. On October 2, 1969, the A.E.C. detonated an underground nuclear hydrogen device having the power of one million tons of T.N.T., one megaton, on Amchitka Island in the Aleutians. This was called Project Milrow, and is a classical example of the kind of risk the military is prepared to take. But in this case the risk is greater for people other than mainland Americans—for the people of Canada, Hawaii and Japan. The governments of Japan and Canada protested, but the protests were ineffective.

6. What happens to the oceans and on the ocean floor is of particular concern for Canada, since Canada has one of the largest ocean coastlines in the world and the second largest claim to the continental shelf—the U.S.S.R. has the largest—which is that part of the continent that juts down into the sea. Everything points to the "conquest of space" approach to exploitation of the ocean. Sewage, pesticides, detergents, petrochemicals, silt from erosion, radioactive wastes and many other industrial wastes are increasing in such proportions as to threaten the life of

the ocean in much the same way as rivers and lakes have been killed by pollution. Ocean pollution and marine conservation are real issues.

There is general agreement that we are in an ecological crisis of global proportions. Man as a unit species is now collectively threatened and can only survive by a collective response. The initial response should be an accurate assessment of this global threat. Dr. Knelman writes:

> More than ever the scientist now has the role of early warning system. There is an increasing need to close the information gap between the few who know and the many who do not know. A law is only as good as the belief in its validity and necessity. Hard anti-pollution laws without public understanding and support are not workable because they do not clarify the risk benefit balance. Neither industry nor government nor the public are prepared to pay when only the cost is known but the risk and benefit are unknown and nobody will enforce a law that threatens the economic status quo, without this knowledge.

The task is one of mass information and mass education on a national scale.

Canada should follow the lead of Sweden, the first country to undertake an ambitious and costly national program to purge her air and waters of pollutants and prevent their pollution in the future. Sweden was the first nation to impose a total ban on the use of D.D.T. and other chlorinated hydrocarbon pesticides. While much of Sweden's program is straightforward, research, establishment of standards, government financing of anti-pollution equipment, et cetera, there is a unique but socially necessary element in their scheme. This is a broad program of public education on a national scale under control of a federal government agency. Sweden has realized the impossibility of enforcing existing legislation without public support. Their program is characterized more by foresight than crisis response.

Honourable senators, somewhere during the course of this rather long speech in support of the motion before us, I said:

> We do not have to accept such conditions, because it is within our power, collectively, to do something about them.

It is becoming increasingly evident that economic factors alone cannot provide a satisfying or healthy standard of living. A clean environment, space, natural beauty and quietness add immeasurably to the quality of life. The wise use and conservation of natural resources are essential in our modern society. Pollution has become a political catchword. Public and private concern is on the march. The focus of public concern is largely local or regional but the problem of environmental pollution is rapidly becoming international and global. Proof of this is evident in the calling of a United Nations Conference on human environment in 1972.

Put in simple terms, I believe it is the duty of the Government, or any government, "to draw attention to the many problems of pollution and especially to consider the environment as a whole in dealing with those problems."

One practical and useful step at this stage would be the setting up of a special committee to assess the current quality of the Canadian environment and assist in the identification of the most pressing problems. This would involve the Senate directly in an issue of great public concern. With the co-operation and assistance of federal departments and research agencies, whether they be federal, provincial, university, industrial and professional groups, or individuals, the proposed committee would be in a position to conduct a thorough and most useful inquiry.

And at this stage one of the most important jobs the committee could do, with the full co-operation of the press, radio and television outlets, would be to focus public attention on the problems under study.

This in itself, I believe, would be a service to our citizens generally and certainly of aid and assistance to the Government in later stages. We have an unparalleled opportunity to act decisively in the interest of all Canadians to make our country a better place in which to live.

The motion before us is designed to accomplish this very purpose. I do hope that it will receive the unanimous approval of this chamber, without undue delay, and that the committee will be constituted and commence its investigation of environmental problems as soon as possible.

Hon. Hartland de M. Molson: Honourable senators, I would like to propose an amendment to the motion of the honourable Senator Macnaughton. In amendment, I move, seconded by Senator Carter, that the motion be not now adopted but that it be amended by

inserting immediately after the penultimate paragraph thereof, the following:

> That the committee before assuming any financial obligations submit to the Standing Committee on Internal Economy and Contingent Accounts a budget for approval setting forth in reasonable detail the forecast of expenses to be incurred.

The Hon. the Speaker: Honourable senators, it has been moved by honourable Senator Macnaughton, seconded by honourable Senator Robichaud, that a Special Committee of the Senate be appointed to consider and report—

Hon. Senators: Dispense.

The Hon. the Speaker: In amendment to the motion, it is moved by honourable Senator Molson, seconded by honourable Senator Carter, that the motion be not now adopted but that it be amended by inserting immediately after the penultimate paragraph thereof, the following:

> That the committee before assuming any financial obligations submit to the Standing Committee on Internal Economy and Contingent Accounts a budget for approval setting forth in reasonable detail the forecast of expenses to be incurred.

The question is on the amendment.

Hon. Leopold Langlois: Honourable senators, I move, seconded by honourable Senator Smith, that this debate be adjourned to Friday, December 19.

Hon. Mr. Molson: Honourable senators, I have moved an amendment and I should be allowed an opportunity to make some remarks on it. May I ask whether it is in order for me to say why I proposed the amendment?

The Hon. the Speaker: In my opinion it is perfectly in order for honourable Senator Molson to elaborate on the amendment he has moved.

Hon. Mr. Molson: Honourable senators, I appreciate the opportunity to explain, because at first glance this amendment might sound provocative or designed to delay or disrupt in some way. Of course there is no intention to do any such thing.

The point to which I would like to call the attention of honourable senators is that the Committee on Internal Economy and Contingent Accounts, in discussion last week, dealt with the budget of the Senate. At that time the subject of the expenses of special committees was brought up, and it was felt that in future it would be desirable, when empowering committees to incur expenses, that they be asked to submit budgets at the same time. If that is not done, the Senate has absolutely no control and, far worse, it has no knowledge of the sums of money which it is inviting—and this is quite within its powers—its committees to incur.

I do not wish in any way to take over the duties of the chairman of the Internal Economy Committee, and I hope that Senator Smith does not disagree with my bringing this point to the attention of the chamber. In fact, if he had chosen to move this amendment, I would have been very happy indeed.

As honourable senators will remember, special committees are required now to submit an account of their expenditures. This was provided in Rule 84, which the Senate adopted. In discussing this matter in the Internal Economy Committee the other day, on the question of control by the Senate over its own budget, it was agreed that future committees should be asked to submit a budget, as I have indicated in the amendment.

Honourable senators, that is the only purpose in submitting this amendment. In view of the necessity to control our expenses, I think it is desirable to apply this provision in the case of any special committees which we appoint from now on.

Hon. Arthur W. Roebuck: Honourable senators, may I say that I am in favour of the amendment which has been proposed, with this exception, that I do not like to see a general proposal such as this, which should apply to all committees, concentrated on one committee, as this amendment is.

There is no doubt that we should be able to control, or have a committee control the expenses, not only of special committees but of all committees.

As chairman of the special committee studying the question of divorce, which had a most favourable result, I was amazed to find that I could order almost anything, that by simply signing my name on the invoice it would be paid. I should point out that that committee was handled in a very inexpensive way. At the same time, I had the authority and I thought it amazing that I could make

almost any expenditure I pleased. Such a system is not a good business on the part of this chamber.

However, I do not like to see a general rule of this kind concentrated, by chance, on a motion which comes to the floor at this time. I do not think we should pass this amendment. This ought to be a general motion, carefully thought out by the committee and made applicable to all committees, not just one. It could be made effective to this committee as to all other committees, and there is plenty of time to do it. I do not like to see this amendment proposed by honourable Senator Molson in this manner. I think it is a mistake to apply the principle to one particular committee.

Hon. Donald Smith: Honourable senators, it would seem appropriate that I should say something about this matter.

As chairman of the Internal Economy Committee and as one who knows something of the background leading up to the amendment proposed by Senator Molson, may I say first that I agree with the language of the amendment. I did not have time to write it down, but it seems to agree almost word for word with the resolution which was passed at the last meeting of the Internal Economy Committee.

In the judgment of the Internal Economy Committee we found it very difficult to propose a general, all-embracing resolution, without seeking additional powers from the Senate to do so. The Leader of the Opposition came to our rescue. He pointed out that in the Senate we do many things, and do not do many other things, by virtue of practice rather than of rule; and he suggested something with which I could readily agree. He asked if it would solve our problem of lack of control over expenditures and the lack of purchasing procedure, if we recommended that in future a practice be instituted in the operation of the Senate whereby a motion to set up a special committee—which ordinarily has in it no reference to the control of expenditures—should include the kind of provision which honourable Senator Molson has suggested now in his amendment.

This was agreed to not only by the committee but by the Leader of the Government, who very gladly accepted the suggestion of the Leader of the Opposition.

Now, may I assure Senator Roebuck that there is no question of co-operation between Senator Molson and me. I was not aware that he was going to propose an amendment at all.

[Hon. Mr. Roebuck.]

The fact is that this was the only motion on our order paper today. Had this motion been already introduced and occupied a position on our order paper, I think the Leader of the Government or another member of the Senate would have amended that motion. We would hope, if the practice is acceptable, that in future any individual senator who desires to bring to the attention of the Senate a serious problem of national importance deserving to be inquired into extensively would frame his motion in such a way that it would not be necessary for Senator Molson or the Leader of the Government or anyone else to alter that motion in this respect.

I hope I have cleared up any doubt in Senator Molson's mind with respect to my supporting his amendment. I do so wholeheartedly in every detail.

Furthermore, I hope that my unprepared explanation to Senator Roebuck is such that he understands we are not picking on this particular motion, but that it is the only one on our order paper and it was placed there before we had expressed the opinion that from now on control should be instituted. That is why it is being dealt with in this way.

I shall be glad to support the motion when it comes before us.

Hon. Mr. Macnaughton: Honourable senators, perhaps you will allow me to say a word. I agree thoroughly with the principle contained in my learned friend's suggestion but, as a practical measure I do think that the suggestion of the honourable Senator Roebuck should be followed.

In any event, it seems perfectly clear to me that in respect of any Senate committee involving considerable expense, as a committee of this nature would, the first thing that its chairman should do is prepare a budget. I do not see how even one dollar could be given to him without the submission of a budget and without the approval of the authorities. So there is no dispute on the principle; it is just bad business to operate that in any other way.

The Hon. the Speaker: It is moved by the honourable Senator Macnaughton, seconded by Senator Roebuck, that a special committee of the Senate be appointed to consider—

Hon. Senators: Dispense.

The Hon. the Speaker: In amendment to the motion, it is moved by the honourable

Senator Molson, seconded by the honourable Senator Carter, that—

Hon. Senators: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Senators: Agreed.

Motion in amendment agreed to.

Hon. Mr. Langlois: Honourable senators, I wish to apologize to Senator Molson for having put my motion to adjourn the debate before he had an opportunity of speaking to his amendment, as I should have anticipated he might wish to do.

May I now move, seconded by Senator Smith, that this debate be adjourned to Friday, December 19, 1969.

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

FLAX

LOSS OF SALES—LAKEHEAD SHORTAGE—QUESTIONS

Hon. Walter M. Aseltine: Honourable senators, I have a question to put to the Leader of the Government having to do with the loss of certain sales of flax which has occurred recently.

My reason for asking this question tonight is that I have just read an article in the Winnipeg *Free Press* weekly of November 8. Had I had this information when I made my speech on the Throne debate the other day, I should have brought it up then. This article is headed: "Flax Sales Lost—Lakehead Shortage—Winnipeg". It says that orders for Canadian flax have been switched to the United States for filling because of the short supply of flax at the Lakehead, and that the shortage has already cost Canada at least two million bushels in lost sales.

My questions are:

1. Who is in charge of the transportation of flax to the Lakehead?

2. Why was there not enough flax at the Lakehead to fill commitments for Canadian flax, the 1969 flax crop being over 30 million bushels?

3. Who was responsible for the shortage—the railways, the grain trade, the Wheat Board trade?

4. And, if none of them, who was responsible?

I hardly expect the leader to answer the questions tonight, but I should like to have them put on the order paper.

Hon. Paul Martin: Honourable senators, Senator Aseltine has made my task easy tonight by kindly suggesting that he does not expect me to give him an immediate answer. We will endeavour to get an answer for Senator Aseltine at the earliest possible moment.

Hon. Mr. Aseltine: It is a very serious matter, in my opinion, and I should like to have the answer as soon as possible.

Hon. Mr. Martin: I am sure my office will take note of the importance of this matter. I share fully the view of Senator Aseltine that, if the facts are as alleged, it is a serious matter, and I will try to get a reply quickly.

QUARANTINE BILL

ORDER FOR SECOND READING STANDS

On the Orders:

Second reading of Bill S-12, intituled: "An Act to prevent the introduction into Canada of infectious or contagious diseases".—(Honourable Senator Sullivan).

Hon. John M. Macdonald: Honourable senators, I should like to stand this order in the name of Senator Sullivan, but perhaps in doing so I may be permitted to give a word in explanation.

Senator Sullivan is very anxious to speak on this bill, and I know he will make a very fine contribution to the debate. Unfortunately, he cannot be here this week because some time ago he accepted a invitation from the Los Angeles Foundation of Otology to deliver a lecture to its professional staff on the subject of "Facial Nerve Abnormalities". He has gone to California for this purpose.

I should add that this organization is a non-profit foundation dedicated to ear research. It is a well-known and highly respected foundation in the United States and its board of trustees, its advisory board and its medical board are comprised of very eminent men. It is a tribute to the high international professional reputation which Senator Sullivan enjoys that he has been invited to give this lecture by such an outstanding organization and to give it before such a dis-

tinguished medical staff. This is another high honour, in addition to the many honours he has already earned, and I am sure we are all gratified that this new distinction has come to him.

Under the circumstances, I ask that this item stand until Tuesday, December 2.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 26, 1969

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

Prayers.

EXPO WINDING-UP BILL

REPORT OF COMMITTEE

Hon. T. D'Arcy Leonard, Chairman of the Standing Senate Committee on National Finance, reported that the committee had considered Bill C-6, to wind up the Canadian Corporation for the 1967 World Exhibition and to authorize the writing-off of certain costs and the deferral of certain payments connected therewith, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Louis P. Gelinas: With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

YUKON PLACER MINING ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-4, to amend the Yukon Placer Mining Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

OIL AND GAS PRODUCTION AND CONSERVATION ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-5, to amend the Oil and Gas Production and Conservation Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

PITTS INSURANCE COMPANY—
REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-10, to incorporate Pitts Insurance Company, and had directed that the bill be reported with the following amendment:

> Page 3, line 6: Strike out "five" and substitute therefor "one".

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, this change from "five" to "one" would correct a provision in the bill as to the contribution to surplus to be made by the company before it commences operations. The requirement in the bill that the company contribute five hundred thousand dollars is a typographical error and should read one hundred thousand dollars.

The company asked that this correction be made, and Mr. Humphrys, the Superintendent of Insurance, who administers the legislation governing companies of this kind, agreed that the proper amount is one hundred thousand dollars.

Report adopted.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PITTS LIFE INSURANCE COMPANY—
REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-11, to incorporate Pitts Life Insurance Company, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTER-PARLIAMENTARY UNION

FIFTY-SEVENTH ANNUAL CONFERENCE HELD AT NEW DELHI, INDIA

Hon. Chesley W. Carter rose pursuant to notice:

> That he will call the attention of the Senate to the Fifty-seventh Annual Conference of the Inter-Parliamentary Union held at New Delhi, India, 30th October to 7th November, 1969, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, this was the first time I attended a conference of the Inter-Parliamentary Union. It was one of the most valuable and rewarding experiences of my life. Though I have been a member of our Canadian branch of I.P.U. for over 20 years, not until I attended this conference did I fully realize what the I.P.U. was all about. I know that most, perhaps all, honourable senators are well informed about the Inter-Parliamentary Union. In order to make my remarks more meaningful to those outside this chamber who may read today's *Hansard,* I crave your indulgence while I take a few minutes to give a brief thumbnail sketch of this organization, its purposes and objectives and how it operates.

The Inter-Parliamentary Union is a very old organization. It came into existence in the year 1888, as a result of the efforts of William Randall Cramer, a member of the British House of Commons, and Frederick Passy, a member of the French Chamber of Deputies. Through the efforts of these two pioneers, the first Inter-Parliamentary Conference was held in Paris, on June 29 and 30, 1889, with the participation of 49 members representing the parliaments of nine different countries. Since then the membership has grown to 67 parliamentary groups.

To qualify for membership, the national groups must be constituted in parliaments functioning as such within the territory of which they represent the population, in a state or nation that is recognized as a subject of international law. It follows therefore that not all nations of the world today are eligible for membership.

The Inter-Parliamentary Union has three principal organs, namely, the Inter-Parliamentary Council, the Executive Committee, and the International Parliamentary Bureau.

The Inter-Parliamentary Council is the body that directs and supervises the activities of the whole organization. It is composed of two members from each regularly affiliated national group. The council elects its president for a period of three years, and this term may be extended for a further two years, after which he is no longer eligible.

The Executive Committee is the administrative organ of the union. It exercises the functions delegated to it by the council in conformity with the statutes or constitution. The committee is composed of 11 members belonging to different groups. The president of the council is ex-officio member and president of the Executive Committee. The ten other members are elected by the plenary conference for a term of four years. They are, however, not eligible for re-election for the next two years.

The Inter-Parliamentary Bureau is the international secretariat of the union, and is located at Geneva. It is headed by a paid secretary-general appointed by the Inter-Parliamentary Council, with some parliamentary staff necessary to carry out the functions of the bureau.

Within this framework another body was set up in 1938, known as the Association of Secretaries-General. This body is composed of the secretaries of the various legislative assemblies, and its purpose is to provide an opportunity for these secretaries from widely varying parliamentary institutions to co-operate in the technical study of the problems of parliamentary life. The Association of Secretaries-General has its own organization and its own executive committee, but its activities are financed from the budget of the union itself. Usually its meetings are held at the

same time and place as those of the Inter-Parliamentary Union.

As a general rule, Inter-Parliamentary conferences are convened annually and are held in the capitals of the various member countries. This last conference was the fifty-seventh and was held in New Delhi because this is the centenary year of the birth of the great Mahatma Gandhi. By making its conference coincide with the centenary celebrations, the Inter-Parliamentary Union manifested its deep affection and respect for that great humanitarian and the ideals for which he lived and died. This was further confirmed by a formal resolution which was passed by the conference in its closing plenary session.

The Inter-Parliamentary Union is, therefore, an international association, possessing a semi-official character of parliamentary groups constituted within the national parliaments of various countries of the world. The aim of the union as set forth in its statutes is as follows:

> To promote personal contacts between members of all parliaments, constituted international groups, and to unite them in common action to secure and maintain the full participation of their respective states in the firm establishment and development of democratic institutions and in the advancement of the work of international peace and co-operation, particularly by means of a universal organization of nations.

In pursuit of these objectives the union studies and seeks solutions to all questions of an international character suitable for settlement by parliamentary action, and makes suggestions for the development of parliamentary institutions with a view to improving the working of these institutions and increasing their prestige.

The inaugural ceremony of the Fifty-seventh Inter-Parliamentary Conference was held at Parliament House, New Delhi, on October 30 last, and the inaugural address was given by Shri V. Giri, President of India. The President referred to the Inter-Parliamentary Conference as a "world community" and drew attention to the similarity between the ideals of the great Mahatma Gandhi and the aims and objectives of the I.P.U. in calling upon Members of Parliament the world over to work together for peace and understanding between nations. He then showed how these ideals were embodied in India's constitution, and went on to refer to the parliamentary system in these words:

> A parliamentary system flourishes and is sustained not by rigid adherence to rules of procedure or by insistence on dogmas or theories, but by its capacity to respond and react purposefully to the needs of the community of people whom it seeks to govern. The state in a parliamentary democracy is not an end in itself. It is a means for the purpose of binding men together in a justly ordered social life. The parliamentary system also emphasizes human dignity, the importance of the individual and the right of dissent. It creates and encourages meaningful public opinion so that all problems may be decided by discussion, adjustment of views and acceptance of consensus. As has been well said by Woodrow Wilson, democracy "releases the energy of every human being."

Later on, he quoted Mahatma Gandhi as saying:

> Man becomes great exactly in the degree in which he works for the welfare of his fellow men.

The working sessions of the conference were held in the Vigyan Bhavan, which is the people's House of the Indian Parliament.

The first item on the agenda was the Secretary-General's report which is the equivalent of our Speech from the Throne, and served to initiate a wide general debate on the international situation as well as on the salient features of the report itself and other specific matters which delegates wished to draw to the attention of the Assembly.

The agenda itself included the following subjects: (1) the role and responsibilities of medium and small powers in the maintenance of international peace; (2) social progress as a factor and condition of economic development; (3) prospects for agreement on the control of armaments; (4) measures for the prohibition of the production and use of chemical and bacteriological (biological) weapons; (5) measures for the prohibition of the production and use of nuclear and thermonuclear weapons; (6) role of parliaments in the protection of the human environment and conservation of natural resources for future generations; (7) relations between parliament and local authorities, and (8) cultural exchanges as a means of increasing understanding.

During the year these topics had been studied by study committees instituted by the

Inter-Parliamentary Council. The general procedure was to initiate the debate by a brief statement by the rapporteur of the study committee, together with a draft resolution also prepared by the study committee.

The general debate on each topic would be held in plenary session and then it would be sent to the appropriate committee where the draft resolution would be either endorsed or amended by the committee, but in each case the committee would report back again to the plenary session where the draft resolution would be ratified either in its original or amended form.

The Canadian delegation, which included three senators—Senator Langlois, Senator Edgar Fournier and myself—and eleven Members of Parliament, took a very active part in all these proceedings, both in plenary session and in committee. Each Member of Parliament made a very brief but important contribution on the topic in which he had special interest, and our own Senator Fournier very ably upheld the traditions of the Senate in his contribution to the debate on measures for the prohibition of the production and use of nuclear and thermonuclear weapons.

The leader of our delegation was Mr. Grant Deachman, M.P. Here I should like to pay tribute to the outstanding leadership which he displayed throughout the whole conference. Briefing sessions were held in his room at eight o'clock in the morning, during which we were briefed on the topics to be discussed during the day, the attitudes of delegations from other countries and possible developments that might take place, particularly those arising out of amendments contemplated by certain delegations which had very strong feelings about the topics to be discussed. As a result of these early morning meetings, Canada's position was very carefully thought out and the speakers selected to make Canada's position clear either at the debate in plenary session or in committee. It followed, therefore, that Canada's position on the various issues was maintained with firmness and in such a manner as to maintain the friendship and respect of those delegations who held views very different from ours. No delegation had a better record of attendance than ours. The Canadian presence was maintained in practically full force in all the committees as well as in the plenary session.

Included in the Canadian delegation were Miss Jean McPherson, the secretary to the delegation, and Mr. J. Gordon Dubroy, Clerk Assistant to the House of Commons, who attended the meetings of the Association of Secretaries-General. A special word of tribute is due to Miss McPherson, who did a wonderful job in keeping the delegates informed as to each day's agenda, the issues involved, and the people taking part. She also kept us informed with regard to developments in delegations from other countries and, in addition to that, looked after all our arrangements and appointments with regard to social engagements, our transportation to and from the places where these social events were being held, as well as looking after our passports, reservations and other general transportation arrangements. I do not think it is an exaggeration to say that the efficiency of the Canadian delegation and the smoothness and effectiveness of the manner in which we were able to operate was due in large measure to her efforts.

In a report of this kind one cannot, and, in my opinion should not, avoid the question of the value of this particular conference and, indeed, of the Inter-Parliamentary Union itself. In the context of today's world, does it serve any useful purpose? Is it actually worthwhile? Does it make a worthwhile contribution towards achieving peace in the world and understanding between member nations?

At the final plenary session of the conference certain resolutions were endorsed relating to the various topics on the agenda which I referred to earlier in my speech. These resolutions reflect the general objectives of the union and, as one of the delegates to this conference, it is my duty on my return to try to exert some influence within our own Parliament of Canada in favour of these objectives, and to do what I can to secure action by the Parliament of Canada on the resolutions adopted by this and previous Inter-Parliamentary Conferences.

The more I considered the question, the more I wondered what I, as one delegate, could do to discharge these obligations when I got back to Canada. Of course I could write letters to the Prime Minister and to the appropriate minister concerning the resolutions adopted, but I have no illusions that such letters would have much influence on government policy, particularly where the policy of our present Government is at variance with policy implicit in the resolutions adopted. Then it occurred to me that in a democracy, as President Giri pointed out, the people are sovereign and governments must respond to the wishes of the people. So, in

addition to a direct approach to the Government, I should also endeavour to make an approach to the people of Canada by letters to the press and by speaking on the subjects whenever an opportunity presents itself. It has occurred to me also that one very good way of doing this would be to initiate debates in this chamber on the resolutions adopted by the Inter-Parliamentary Union, so that the Senate as a body can be informed, and as individuals we may take whatever action seems appropriate to further these objectives whenever we find a suitable opportunity. This is something which I hope those of us who attended the conference will be able to discuss with our leader in the Senate.

With respect to the conference's contribution towards peace in the world and better understanding between nations, I personally doubt that very much can be accomplished in this regard unless the delegations from member nations leave behind them their prejudices, their hatreds and their conflicts. Unless they do that, I do not see how they can make a positive approach to the problems with which the conference attempted to deal.

As an illustration, I should point out that in his report the Secretary-General made reference to the situation in the Middle East. The delegation from the United Arab Republic placed an interpretation on his words at which they took offence. They therefore walked out of the conference completely and took no further part in its deliberations.

This intense feeling, which probably can be described as akin to hatred, was evident in practically all the speeches made by the delegations from Israel and Kuwait.

The Soviet Union and its satellites also seized the opportunity to take the same line as they usually do in the United Nations and similar organizations, thus making the conference a sounding board for their propaganda, as was pointed out by Senator Yuzyk in his brilliant speech a few days ago. Certainly as long as this kind of atmosphere is maintained and fostered, the chances of the conference producing concrete positive results in the cause of peace and better understanding between nations must remain comparatively slim.

As this was my first attendance at the conference, I have no basis for comparison with previous conferences and therefore no means of knowing whether the situation I have described is the same today as it was years ago, or whether it has improved.

As against the negative speeches to which I have just referred, there were on the other hand some very positive speeches. This leads me to think that the situation has improved and, if not, it certainly constitutes evidence that improvement can be attained in the future. Because of their positive outlook, in my opinion these contributions were the highlights of the debates that took place and for that reason I should like to quote from two of them.

The first positive speech was made by Mr. Peter Petersen, who is a member of the Bundestag and leader of the delegation from the Federal Republic of Germany. This is what Mr. Petersen said:

> Mr. President, Ladies and Gentlemen:
>
> The President of India when he gave us the honour of opening this conference may have given us the key to our problems when he said that Gandhi had had a dream that kindled this nation—a dream of peace and freedom and brotherhood of men.
>
> Mahatma Gandhi belongs to all of us, to the whole world. What would his life mean for us today in this strife torn world?
>
> I would like to say a word to my Polish colleagues: Your speaker, the Honourable Mr. Wende, said yesterday that the people of Poland will never forget the sufferings and sacrifices of the war.

The Polish delegate had made a speech the previous day.

> As a German I understand that. Hitler and Stalin divided your country. The German Army marched in and millions of your people suffered and died. I know that we cannot expect you to forget—I would like to ask you to forgive.
>
> And then in the terrible winter 1944-1945, millions of Germans were driven from their homes. Hundreds of thousands died. My people suffered deeply. Most of them, especially the women and children, had committed only one crime—to be born German.
>
> Much bitterness was in my country too. And bitterness, unless healed, can cause new hatred and conflict.
>
> The Russian and the Indian delegates complained that the Communist German Parliament has not yet been accepted in these halls. I beg you to understand that we Germans want to live like anybody else. We don't want to live behind a wall

and be shot and killed when we want to go from one part of our country to another. We want to read any paper we are interested in reading, whether the government likes the article or not. Our journalists too want to write what they like, without censorship. We want to be able to travel anywhere in the world without having to ask government for permission. We Germans—all of us—don't want to belong to the government. Our government should belong to us.

That is why I don't want to sit at a table with delegates of a regime that owns eighteen million of my countrymen.

We Germans know how power corrupts. We learned that from history too. That is why we want a government dedicated to freedom and peace; a government that gets power only for a limited time, that is controlled while it is in power by a freely elected parliament and an independent court of law.

We don't want to impose this on anybody else, but we Germans, all of us, long for that. If in this way we can determine our own fate and control those in power, we don't mind whether we live in one state or two or five or six. The German problem is not one of organization but of freedom. Lasting peace can only live where there is freedom and justice—that too Mahatma Gandhi has taught mankind.

Mr. Wende, the Polish delegate, talked about the Oder-Neisse-Line. Let me humbly suggest, sir, that borders are not the problem or the solution. Nowhere in Europe can you draw a line that clearly divides two people from one another, because for hundreds of years we have been living together.

Let me give you one example: my grandparents were Danish. As long as I can remember, my father had bitter disputes with his Danish cousins about the border line between Denmark and Germany. The Danish people also have suffered greatly in the last war. But my Danish colleagues will bear me out when I say that since Danish children can go to Danish schools in Germany and vice versa—I can go to a German church in Denmark, we trade, we travel, we marry, we can settle here or there, nobody is interested any more in the border line.

[Hon. Mr. Carter.]

Is that not the way peoples are meant to live together? The best security of a country lies in the confidence of her neighbours. To win the confidence of our neighbours in the East, as we have won it in the West, is the most important task of our government, my Parliament and my people.

Let us, my fellow delegates, dedicate our lives to create a world free of hate and fear and greed; a world free of suspicion and of walls between men and nations. India has much to give to the world. All of us would be richer if we would so interpret the life of Gandhi for our deeply troubled times.

Another speech was made by Mrs. Margit Borg-Sundman from Finland, speaking to the resolution on the role of parliaments in the protection of the human environment and conservation of natural resources. She said:

Having reached its present high level of material development, is mankind now going to destroy itself by slow poisoning of air and water by unlimited exploitation of natural resources? We are indeed paying a high price for our so-called progress—too high a price. The wonderful accomplishments of technology without adequate control of its consequences, the wave of materialism with the high material standard of living as its new God are now rapidly leading to a catastrophic imbalance in nature and to a real danger for human living conditions.

All that can be done to prevent this catastrophe must be done and done quickly. Among the causes of the rapidly worsening situation has been, beside the striving for a high material standard of living, our lack of knowledge, our indifference, our shortsightedness, our inability to see apparently insignificant details as significant parts of an important whole. The problem is anything but easy. We achieve no positive results by approaching the problem superficially and emotionally, or by reproaching one another. And we reach only partial solutions if we don't look at the problem as a whole.

The whole chain of causes must be analyzed. Side by side with the pollution of air and water by industry, there is urbanization with its poisons, not the least of which is the acoustic poison, the noise. The new status symbol, the automobile, has brought both the poison

of noise and the poison of its exhaust. The new electric cars are thus badly needed. Furthermore, there are insecticides and artificial fertilizers used in agriculture. There are also the chemicals used in detergents, etc. All our forces must be mobilized for effective co-operation in protecting the environment. There must be effective co-operation among researchers, social planners and other experts, including industry, landowners and, not least, parliamentarians.

The exploitation and the pollution of environment are world-wide phenomena. The rational use of natural resources and the protection of the human environment is thus a universal goal for all nations and individuals. It is a task for international co-operation. Here in our Inter-Parliamentary Union we should share our experiences and try together to find even better new forms of co-operation. It is our task to support and to speed the plans of the United Nations in this question, so vital for the whole of humanity.

We parliamentarians can be rightly reproached for our delay in having realized the importance of the problem and for our having failed to take interest in it in time. We should have listened to the warning voices. Although it is the eleventh hour, it is not yet too late. We can still do many things to correct our mistakes.

First of all, we must increase our own understanding of the problem. We must continue to gather facts to improve our knowledge. We must then establish bodies of experts and foster effective teamwork between government, industry and experts.

Further, we must subsidize the training of experts and the carrying on of continuous research work. We must provide the financial means.

Then, of course, we must do our main job, which is legislation. New laws are needed for the protection of environment and all laws must be amended and modernized. We must close up the loopholes and eliminate the exceptions that prevent the laws from being enforced. This should not, however, lead to killing of the work of enterprises. The protection of the human environment should be seen as a part of social policy and thus a task for the whole society.

It is important for parliaments to do their part also in seeing to it that knowledge regarding environmental control is widely spread among the public and that governmental and private organizations each do their share in this education. Every citizen from childhood on should be enabled to see that environmental control is his own responsibility and something he can personally do. Indeed, revolution in man's motives, responsibility and care for other people should become the basis for the new culture.

Constructive contributions were made also by Senator Sparkman and Congressmen Daddario and McClory of the U.S. delegation and a number of others.

Honourable senators, in my opinion these two speeches amply illustrate that the Inter-Parliamentary Conference does possess a potential for positive ideas and for a positive approach to the problems of the world. Our aim should be to exploit this potential to the maximum, and I am convinced that much more can be done in this direction than has been done in the past.

The I.P.U. also affords a unique opportunity for parliamentarians from all over the world, representing countries with widely varying historical backgrounds, parliamentary traditions and institutions, to get together to know each other personally and to form personal friendships which must in turn lead to better mutual understanding. It did this for members of our delegation, which also represented different political parties and widely varying viewpoints. When we add these benefits to the potential for a positive approach to world problems, which I mentioned earlier, I think the answer to my question must be that while the achievements of the Inter-Parliamentary Union and its annual conferences cannot be measured in specific, concrete terms, nevertheless this institution can make a valuable contribution to the solution of world problems and greater co-operation between nations. Therefore, it merits our support.

One of the highlights of the I.P.U. Conference was an address by Mrs. Indira Gandhi, Prime Minister of India, in which she gave a brief outline of the problems the country had to face, of the measures being taken to solve them, of the successes that already have been achieved, and the work that still remains to be done.

In addition to the benefits I have just enumerated, the Inter-Parliamentary Conference affords parliamentarians all over the

world the opportunity to see these problems for themselves and to get a first-hand knowledge of the Indian people, of their great and wonderful country, of their culture and traditions, of their aspirations and achievements, as well as of their failures and their needs.

The Indian people are extremely kind, hospitable and considerate. They proved to be ideal hosts. The Indian delegation which was led by Dr. G. S. Dhillon, Speaker of Lok Sabha of the People's House, did everything in their power to look after all our needs and to make our stay in India pleasant and enjoyable. Mr. Speaker Dhillon himself played a key role in the conference because he presided over the plenary sessions and, in addition, he arranged for us many social events including dinner parties, cultural excursions and evenings of entertainment which included Indian music and dancing performed by India's most talented artists. He arranged also a performance of son et lumière which depicted the great events in India's history, and illustrated how the history of the City of Delhi was constantly interwoven with the history of India itself.

Mr. Speaker Dhillon spoke in glowing terms of his visit to Canada when he attended the Speakers' Conference earlier this year, and from all sides and groups it was evident that in India there is a very great reservoir of good will towards Canada and the Canadian people which we, on our part, assured them was very heartily reciprocated. I for one feel certain that the ties of friendship between Canada and India have become even stronger as a result of this conference.

Honourable senators, it is very difficult to compress in the space of a few minutes the events of a ten-day conference. All I have been able to do is give you a very brief outline, and I trust that my colleagues from the Senate who also attended this conference will elaborate on what I have said and fill in the gaps that I have left.

Before I conclude, however, I should like to say one word of appreciation of our Ambassador in Delhi, Mr. James George, and his good wife and staff, who were extremely kind and helpful to us. They, along with our Indian hosts, did everything in their power to make our stay in India pleasant and enjoyable, and our contribution to the conference as effective as possible.

Hon. Edgar Fournier: Honourable senators, having listened to Senator Carter's well prepared resumé of what occurred at this conference, I am sure there is little else to be said about the conference itself, and I know also that Senator Langlois wishes to say something on the same subject. With this in mind, I have not prepared what might be called formal notes but I should like to tell you of my impressions.

First, I should like to thank my associates, Senator Langlois and Senator Carter, and all members of the delegation that went to India. It would be difficult to find a better group of Canadian citizens.

As a delegation, we were well prepared and briefed before we commenced our journey, and we represented, not the political parties to which we belong, but Canada. There were no politics involved—we represented a strong Canadian front.

I should like to thank the Right Honourable Pierre Elliott Trudeau, because I know that he had to approve my inclusion in the delegation. I also thank the honourable Leader of the Government (Hon. Mr. Martin), and my own leader (Hon. Mr Flynn), and other members of this house for whom I have very warm feelings.

I was pleased at being selected, and as a Canadian I tried to live up to that honour by performing to the very best of my ability.

This visit to India is something I shall never forget. It was well organized all the way through. We soon discovered that Canada is well recognized in under-privileged countries. The name "Canada" was recognized by all those to whom we spoke.

To me the most worthwhile experience was not so much with the representatives of the different nations at the conference, but the contacts with people in the mornings and the evenings. I met many people whose problems were similar to our own. Such contacts, in my opinion, are essential and of great value. One soon begins to realize that Canada is a very privileged country, and that the underdeveloped countries need our assistance. You realize the difficulties and problems that these countries with huge populations face, and for which there are no solutions in the foreseeable future.

Since I have been a member of the Senate I have been privileged to visit two of the most underdeveloped countries of the world, Africa and India. The problems of Africa and India are similar but, in my opinion, there is a vast difference in culture and social life. Africa is over-populated but its people generally do not suffer from starvation or malnutrition and are not overworked. In the over-populated areas of India the people have a primitive way of

life and earning their daily bread is their main objective. India is a country where both men and women have to work very hard. I should like to take a minute or two to give you a few examples.

We stayed at the Hotel Asoka, which is a huge building erected by the Government. It is now undergoing repair, and a wall is being altered on the second floor. From observing this operation on several occasions I think I can fairly say that thirty skilled Canadian tradesmen—carpenters, plumbers, and so on—would complete that job in one month. I was told that this particular job will employ 600 people for five months.

I was fascinated to watch twelve women hauling bricks on their heads. Each of them carried sixteen bricks at a time on a little wooden platform. These bricks were roughly made and were obviously quite heavy. The women, who were barefooted, had to carry the bricks some 400 feet, passing over stairways and floors that were like gravel roads. They would unload the bricks two at a time, dropping them onto a pile of sand. Then they would return slowly for another load. They did this from 8 o'clock in the morning until 5 o'clock in the evening for two rupees, or 28 cents.

There was no break for coffee, and there was no time to talk. While there, on one occasion we stopped three or four persons in order to get our pictures taken with them; soon the foreman came along, and it was not long before that was ended and the brick hauling commenced.

These workers were all young girls aged, we were told, from 14 to 18 years. A few had small children, who were tethered to a large stone by one leg, which allowed them to play on the sand pile. When they needed attention one of the women would break off for a few moments in order to do what was necessary. The men were paid three rupees or 42 cents a day.

I saw one man drilling holes in hardwood with a twist drill, a tool that was used 2,000 years ago. It is like a bow and spool, and is worked in the manner of playing the violin. I wished I had had a little hand drill to give him. It would have made his job much easier. We were told that one of the reasons they do things in this way is that they are trying to employ everybody. They do not have the policy we have here in Canada; it is completely different. In front of the hotel they were building a stone wall. There were approximately 50 or 75 women hauling gravel in baskets on their heads a distance of about half a mile. They started at eight o'clock in the morning and walked about a half mile to the gravel pit, coming back with a basket full of gravel which they dumped behind the wall. They then turned right back, walking about 20 feet apart, very slowly. Nobody was pushing them, but there was no pause; they just kept moving all day long. You would be amazed at the amount of gravel that 50 or 75 women could haul in one day. You could see the walls going up.

Before I refer again to India I would like to say that during the first part of my trip I had the privilege of visiting Israel. I was received by the Israeli high commissioner and our ambassador. I was very pleased to find that Senator Croll is so well known in Israel, especially around Tiberias. At Tiberias they are building a big vocational school, a large building for 800 pupils, which will bear the name of Senator Croll. The opening of this school will be some time in December. I hope Senator Croll will be able to see it. At this time there are approximately 100 pupils at the school, which is still under construction. I had my photograph taken with the principal, who was a very jolly lady. I will give the picture to Senator Croll. The sign is not on the building yet, but it will be. It is quite a tribute to have the name of Senator Croll, a member of the Senate of Canada, on a building so far away.

In Tiberias I visited a place where there is a dining room beside the lake. That is the place where Christ is supposed to have met his twelve apostles. It is a kind of summer resort. There you can see the demolished structure of the old hot bath of King Solomon I think I saw the trace of the feet of Senator Croll going to have a bath in hot water. I mentioned to the restaurant keeper that Senator Croll was a senator from Canada, and so on. He had heard about the school and he was quite pleased that I knew Senator Croll. I had a fish called "St. Peter fish" which you have to eat when you go to these places.

My trip to Israel was well worth while. I spent three days visiting Bethlehem, the old wall of Jerusalem, the ruins from the days of King David and King Solomon, and the Church of the Nativity. It is difficult to explain the tension that exists in Israel at this moment. I would like to say at this point that where Israel has been in the hands of the Israelis for the last 40 years there has been tremendous development. When driving from Tel Aviv towards Jerusalem, the first 30

miles you might think you are in Florida because you see palm and banana trees and grass growing under irrigation. All of a sudden you get into the area which has been occupied by the Arabs and there is nothing but bare ground. All the roots of the grass have been chewed up by the donkeys, camels, and sheep. There is nothing left. When you go to Bethlehem you have to use Arab guides because they will not put up with any Israeli guides in that area, but they are very friendly.

I was a little bit disappointed in what I might call the holy spots, because I was expecting to see a little more christianity, a little more religion, not particularly Catholic nor Protestant. But you stand in front of the place of the crucifixion, the birthplace of Christ and the place where Joseph kept Jesus for about 13 years, and find they have all been built as beauty spots with tremendous churches. Most of the ruins have been destroyed. You can stand by a wall about 10 feet high and they tell you that is the original church built in the year 300 and destroyed in the year 1,000. So far as any sign of christianity and holiness is concerned, it just does not exist. They look like workshops and are highly commercialized. That is my impression of Jerusalem, but the trip was well worth while. I was very pleased to know that Senator Croll is so well known in Israel—next time he goes I want to go and carry his suitcase.

Coming back to the subject of India, I must say that I am a novice in external affairs. It is a subject to which I pay very little attention, but while we are helping other nations I am of the opinion that we have also a job to do here in Canada. We have a plan to expand our assistance to the various countries in foreign aid. The people in Canada are concerned about this. I know what the reaction is at home. Mr. Pearson said last year that we gave $175 million in foreign aid. We are thinking now of giving about 1½ per cent of our G.N.P. in the next two or three years, which amounts to $585 million. The people of Canada are up in the air about that for more than one reason. It is because we do not explain that most of this money is a loan and it serves a purpose for Canada. I do not believe that our press is doing the job that it should do. I do not think we should leave it to the press; it is up to us to do something about it. We have all read big headlines on many occasions saying that $30 million is given to a certain country, but on many occasions this money is a loan and it serves the purpose of buying goods in Canada.

[Hon. Mr. Fournier (Madawaska-Restigouche).]

In Ceylon we found locomotives that were built in Canada and created work in Canada. There are a lot of situations like that. Unless we put an effort into explaining to the people that this money is not just a handout to the people, that we are getting something in return, we are going to be in trouble. I can see myself on a political platform trying to make a political speech and somebody in the back of the hall asks about the $45 million you gave to a certain country. You cannot answer that, because you have not got the answer—but this is what will happen. So when we give this money I think that we have a duty to explain to the people what we are doing. For instance, they buy locomotives, railway equipment, trucks, tractors, building materials, electrical energy equipment, turbines, generators, high tension cables and transformers. You can continue the list of articles that have been manufactured in Canada and given to some of those countries who paid for them with the money which people think we are giving to them. In addition to that, they buy Canadian food products such as wheat, potatoes and canned goods. Unfortunately, they also buy war supplies and war surplus, and we should cut that off as much as possible. I do not think we will ever help to supply food to the world by giving ammunition, tanks and guns.

We must also bear in mind that Canada is one of the most industrialized countries in the world, and if we do not have access to these markets we will be in serious trouble. We can produce four times as much as we can buy locally; so much depends on this market and we must not lose sight of that. On the other hand, people deserve a better explanation of foreign aid. Very often they are not given a true assessment of the facts.

Countries like India, and even Italy, are trying to promote employment as much as possible. Here we seem to be trying to promote a policy of idleness. We pay people to stay at home and not work. There are all kinds of ways of drawing money without working. Perhaps we are going a little too far in that direction. We do not talk enough about how to help people earn their living by promoting jobs and paying them fairly good salaries, enabling them to live at their own expense. In most cases I have some hesitation about the vicious road we are taking and spoiling our people.

We also had a trip to Ceylon, which one might call the paradise of the world. I note

that the Honourable the Speaker was in Ceylon in 1952 or 1953, when he made a memorable trip in India. One thing Canadians can say about Ceylon is that by our contribution we have made it possible for that country to support itself, to live without any assistance. With the airport now built they are selling in the world markets. They are increasing their tourist activities. They are producing pineapples, bananas, peanuts, rubber, cocoa, rice, tea, pepper and sugar canes. They have become self-supporting because we made this contribution. The money spent in Ceylon has been well spent; it has been a good investment.

When one comes back one appreciates Canada more than ever, but something on which I have not made up my mind is the fall of so-called empires. Many old cities were once very prosperous and up to date in production and all the means of life. Then one asks what has happened to them. Something must have happened. We do not know what it is. Then we wonder whether it will happen to us. We have to read back into history. We know what happened to the empires of the Turks, the Romans, the Greeks, and the Moslems, and now the British Empire is more or less declining. What is happening? What did happen? Will it happen to us?

I believe that here in Canada we are becoming masters of our own slavery. We have a monetary system which is fast approaching its own destruction, I believe; a system of idleness and promotion against self-support. We have revolutions in our society. There is disregard for authority in religious and civic organizations. There are heavy demands on legislatures and strangling taxation. There are even divisions among the people. We have a high cost of living facing average incomes; segregation between the poor and the rich; high cost of production; disorder and loss of discipline in our educational system. These are only a few factors that have led me to believe we are walking on thin ice. Our nation today is nervous and living in fear and anxiety—fear of atomic destruction, fear of the collapse of our democratic system, fear of monetary failure. We live in fear. It may be time to re-assess ourselves and find out where we stand in this world and try to do something about it as soon as possible.

On our visit we had an audience with His Holiness the Pope, which is something one can never forget. It was a private audience of only eleven people. We found His Holiness the Pope to be a very human being. He is simple and jolly, likes to smile, likes to talk and to ask questions. He speaks French fluently, but his English is not so good. We had been warned that possibly he would speak in French. He can read English and speaks it slowly, but he prefers to speak in other languages. Our private audience lasted 20 minutes, and is something pleasant to remember. The Pope read us a speech in French and English. He knew who we were, where we had been and where we were going. He thanked us for appointing an ambassador to the Vatican, which he said would make him happy, and I am quite sure it will.

I could tell honourable senators more about the things I saw, but I will now conclude my remarks. We have a job to do in selling the idea of foreign aid to our people. I do not blame the press for giving us just headlines. We must tell the people what we do with this $50 million or $60 million, and what it will bring to the Canadian people. They want to hear it and know all about it. We must tell the people what we are doing to help poor, starving families.

In India we saw some pitiful sights, particularly in Old Delhi. When you see little children of eight or nine carrying their dead brothers or sisters, just skeletons and bones, in their arms, using that as a begging instrument, trying to get a few pennies, it is the bottom of the barrel. That is what we saw. There is also a lot of vice there as well as starvation. You see the children crying and hitting their bellies, opening their mouths. You do not dare get out of your car, otherwise they would climb into it and strip it of everything, because they are hungry, and they cannot be blamed for that.

What can we do? There are 511 million of them and the births increase 22 million a year. We are 21 million total population in Canada. In India the death rate is about 8 million a year. Believe me, when we give a dollar to these people it is a dollar well spent. We have a job to do in selling the idea to the people; we have to tell the people more about it so they realize that this is not just a hand out. A man who has not his belly full with a meal will blame somebody, especially if his meal is given away to somebody else.

I thank honourable senators for their patience in listening to me for this length of time.

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

BUSINESS OF THE SENATE

Hon. Leopold Langlois: Honourable senators, I move, with leave, that Order No. 4 be now brought forward.

Hon. Allister Grosart: Would the Acting Leader of the Government explain why this is necessary? This habit of changing the Order Paper is becoming rather common, and I think the chamber is at least entitled to have an explanation of the reasons for doing so. If, in this case, the Acting Leader of the Government would proceed in the normal way he would find that he would not have problems and would not find it necessary to move that we set aside our rules without giving the reason, as required.

Hon. Mr. Langlois: The reason for this change is that it was anticipated the work on the agenda this afternoon could not be completed before 5 o'clock, at which time the Committee on Mass Media, an important committee of this Senate, is scheduled to sit. It seemed desirable that we should try to conclude our work this afternoon before the sitting of the committee, so as not to interfere with it.

Hon. Mr. Grosart: That hardly seems an adequate explanation. It does not explain why we do not proceed with the work on the Order Paper. The question I raised is not whether we would complete the Order Paper today, but whether we should proceed according to the Order Paper and, if we are to be asked to set aside our rules, that it be done in keeping with our rules and have an explanation as required. That is my point of order.

Hon. Mr. Langlois: I do not see how the honourable senator can say that we are setting aside our rules. I am only making a motion, with leave, to change the arrangement of the items on the Orders of the Day, to take one before others; that is all. There are no rules involved here, and this motion is made with leave. If leave is not granted, the motion does not carry, and that is the end of it. I am in the hands of the Senate.

The Hon. the Speaker: It is not unusual, for certain reasons, that the Leader of the Government or the Acting Leader of the Government moves that a certain order be brought forward. It is done by leave, and that means unanimous consent. If an honourable senator for some reason withholds his consent, then we should follow the Orders of the Day. In this instance I understand we have unanimous consent, so Order No. 4 should now be brought forward.

Hon. Mr. Grosart: With respect, Your Honour, the Acting Leader of the Government has said that he does not understand why I say we are setting aside our rules. Our rules require that this be done in a certain specific way, and I am saying that the present action of the Acting Leader of the Government does not conform to our rules. It is a point of order on which Your Honour might wish to rule.

I have raised the point before and I have given the citations, and I am sure they are before you. As I understand the rules, it is a requirement that if a rule is to be set aside, it must be done according to the procedure laid down and adopted only a short time ago.

Hon. Mr. Langlois: On a point of order, I would like to ask the honourable senator to point out in this house which rule is being breached.

The Hon. the Speaker: May I give the reason for the point raised by the honourable Senator Grosart on this particular item. We are dealing here with Rule No. 21. The usual order of business is defined under that rule. The point raised by the honourable Senator Grosart is that if the Acting Leader of the Government, for one reason or another, does not choose to follow the order, some reason must be given. This is the point that has been raised.

With this explanation, if there is unanimous consent, we should proceed with item No. 4.

Hon. Mr. Grosart: Your Honour, I am not prepared in the circumstances to give consent, because again I am asking the Acting Leader of the Government to follow the rules. The Rules of the Senate require that he state the rule which he wishes set aside. He has not done that and until he does so, I submit with respect, that he is not in order.

The Hon. the Speaker: In the circumstances, honourable senators, and having in mind Rule 21, I would ask the Clerk to call the Orders of the Day.

Orders of the Day Nos. 1, 2 and 3 having been called, and each having stood, Order No. 4 was called.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 1 to 7, inclusive, which were presented on Thursday, November 6.

Hon. Mr. Grosart: On a point of order, Your Honour, before Senator Roebuck rises I would like to point out that this procedure is exactly what I meant when I suggested to the honourable Acting Leader that if he followed our rules he would not find himself in trouble.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 1, for the relief of Charles (Guy) Jacob.

Resolution 2, for the relief of Robert Hashim.

Resolution 3, for the relief of Joshua Libenstein.

Resolution 4, for the relief of Shirley Claire Kleinman Litwack.

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

Hon. Mr. Roebuck: Honourable senators, with the consent of the Senate, may I move the adoption of these resolutions now.

I am pleased indeed to have an opportunity to lay these resolutions before you. There is a certain importance in what I have to say in connection with these particular resolutions.

I would like to call the attention of my fellow senators to the fact that this is an historic occasion. For one hundred years the chairmen of the Divorce Committee of the Senate have been moving, as I am doing now, for the passage of messages annulling and dissolving marriages. I am moving, on behalf of the Standing Committee on Divorce, the adoption of these particular resolutions, four in number, which are now before you. In addition, there will be three to which I will speak further. They are withdrawals.

The remarkable point about the procedure we are following today is that, with the passing of these four cases, the jurisdiction of the Senate in the matter of divorces will have been exhausted. Its duty in the task which it has performed for the last one hundred years will be ended. I think I am justified in saying, in consequence, that that is an historic occasion.

Under such circumstances, I submit that we should pause for a moment to ponder what has gone on in the past and to recognize the contribution of those who have taken part in these judicial proceedings—those who are now living and those who are no longer with us. I am speaking for my colleagues, not so of myself.

If I tell you some things you already know, I hope you will pardon me, as I am bringing to conclusion a long series of events.

The British North America Act of 1867 conferred upon the Parliament of Canada jurisdiction in divorce. By Section 129 it was provided that the laws in force at Confederation should remain in effect until repealed or altered by the appropriate authority. There were divorce laws in effect in the provinces, other than Ontario, Quebec and, later on, Newfoundland. Objection was taken to the constitution of divorce courts in these mentioned provinces and consequently individuals in marital difficulties exercised their traditional right of the citizen to apply to Parliament for relief from the bonds of matrimony.

This was a procedure followed since Confederation in 1867. Now that the Senate's role is completed with a welter of cases, it is interesting to recall, I suggest, that the first bill of divorce was passed by the Parliament of Canada in 1868 and that this was the only case before Parliament in that session. There were two cases in 1869, three in 1870 and two in 1878. That is to say, there were eight cases in all, up to 1879.

It may be worth remembering that in the first ten years after Confederation there were eight cases only in which divorce was granted by the Parliament of Canada, in very marked contrast to the number of cases which we have dealt with in the immediate past. In the first ten years of my chairmanship of the Senate Divorce Committee, when the committee was hearing evidence and reporting directly to the Senate, we heard between 300 and 400 cases each session.

In 1963 Parliament passed the Dissolution and Annulment of Marriages Act, which

provided for commissioners to hear the evidence and report the findings to the Divorce Committee. When the Divorce Committee approved, I moved the resolutions accordingly, as I am doing now.

The act gave Senate resolutions the force of law, without passage by the Commons or assent by the Governor General.

On July 2, 1968 the recent Divorce Act became effective, conferring jurisdiction upon the Supreme Courts of the provinces and greatly widening the grounds for divorce. It also gave to the Senate the obligation to complete those cases which had been commenced prior to the coming into force of the act in question.

Honourable senators, I think it is interesting to observe that, from the passing of the Dissolution and Annulment of Marriages Act in 1963, to the close of the last session, that is, to 1968-69, the Senate has granted 3,671 dissolutions and 65 annulments of marriage, a total of 3,736 resolutions.

I recall that when the act was passed someone asked me how long it would take to conclude the efforts of the Senate Committee, and I answered that offhand I thought it would take about a year. It was thought that this was much too long. But little did we realize then that there were as many as 3,736 people entitled to the passage of a resolution dissolving their marriage—cases on our files which had not been completed.

If honourable senators will permit me, tentatively, to add the four cases for dissolution which I have just presented and am now moving, this will make a total of 3,675 dissolutions in this last year, together with 65 annulments. In all, that makes 3,740 resolutions which, together with the 252 dismissals or withdrawals, makes a grand total of petitions dealt with of 3,992—very nearly 4,000 petitions in the course of these last five years. This is an average of 748 dissolutions and annulments per session for the last five sessions, or since the coming into force of the Dissolutions and Annulments of Marriages Act—that is, the five years during which it has been in force.

If I may have the consent of the house, I should like to place on record as Appendix A to this my address, a statement in much fuller form than merely the leading points which I have given.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

[Hon. Mr. Roebuck.]

(*For statement see Appendix A, p. 240.*)

Hon. Mr. Roebuck: Thank you. May I pause here, honourable senators, to pay a well deserved tribute to the two commissioners who have served the Senate with such knowledge, skill and industry during these past five years? I have lived with that operation during all that time and I know, perhaps as no one else does, the industry and the attention and the service which these men have given to us during that period.

First I should like to mention the admirable contribution made by Mr. Justice Allison Walsh, who was our first commissioner, who organized the court in the first instance and who settled the jurisprudence under that act, and of whose devotion, judicial skill and industry I have had most ample proof. Mr. Justice Walsh, when he became commissioner of the Senate, was also appointed a Justice of the Exchequer Court of Canada and was given leave of absence for the purpose of serving as Senate Commissioner. He proved to be a most capable and devoted judicial officer, but the number of cases to be heard were beyond the capacity of any one judge and so Mr. Justice Cameron, then retired from the Exchequer Court bench, was appointed in July 1964 to serve as commissioner. Incidentally, his appointment was on a time basis, in which capacity and under which form of payment he has served up to the present time.

I must point out that, according to the new Divorce Act, all persons who had commenced proceedings at the time that act came into force, namely, on July 2, 1968, were given the right to proceed as though that act had not been passed and, as I have said, we were given the obligation to hear them and to dispose of their cases.

The Senate counsel advised us, and I agree with that advice, that the provisions of the act applied to all petitioners who had filed at any time prior to the act's coming into force, if his case had not been disposed of; and so a lengthy review of many files thus became necessary in order that all persons with rights might be notified to proceed or, in default of proceeding, that their cases would be dismissed for want of prosecution.

I am advised by Mr. Lemire, the chief clerk in the commissioners' office, that 6,000 files in the Senate's possession have been reviewed. The result has been the 3,740 dissolutions and annulments and the 252 withdrawals or dismissals which I have mentioned, being, as I said, 3,992 petitions which we have disposed

of in the course of that year and the few this session.

In the spring of 1969, the Chief Justice of the Exchequer Court requested the release by the Senate of Mr. Justice Walsh, as he was urgently required on the Exchequer Court bench for hearings of important and pressing cases. The request, Mr. Speaker, in accordance with your wisdom, was granted, and on January 30, 1969, he was released. Since his withdrawal the hearings have been carried on by Mr. Justice Cameron alone; the last case was heard on June 25, 1969, and the final report was received by the committee on October 28, 1969.

Mr. Justice Cameron is prepared to continue in his status as commissioner on a standby basis. As he is paid only when engaged and is retired otherwise, it is wisdom on our part—and I think co-operation on his—to have him stand by in the event of, and as a precaution against, some unforeseen contingency. In that way we will have a judge at our hand, if we need one.

Now, those facts impel me, honourable senators, to pay a well deserved tribute to Mr. Justice Cameron. He has proved himself to be a most careful, painstaking and meticulous judicial officer. He has a long and rich judicial experience, a profound knowledge of Canadian law, a keenly analytical mind and a compelling sense of the responsibility of his high office. Mr. Justice Cameron, as sole commissioner, trying a long series of lengthy and difficult cases, has represented us well with an industry and devotion at times beyond his normal strength and in disregard of his own personal welfare. The divorce committee and the Senate owe to Mr. Justice Cameron a debt of gratitude.

As to the present situation, we are now passing the torch to other hands and may they hold it high. We are still greatly interested, for let it not be forgotten that the Senate played a leading part in bringing about the present divorce reform, and how great was the need of that reform is manifested, I suggest, by the fact that during the 12 months from July 2, 1968, when the act became operative, until July 1, 1969—one year—there were filed in the Supreme Courts of the ten provinces of Canada as many as 38,116 petitions for dissolution and annulment of marriage. These 38,116 cases have been dealt with by 133 courts in contrast to the 12 courts that have operated in the past, that is, one court for each province, and ourselves, frequently with two sub-committees hearing cases. These 133 courts have reported to the Central Registry in Ottawa. There is naturally a lag in finalizing divorce cases and in issuing the decree absolute because, as you know, there is a waiting period of three months after the first decision is made before the decree may be moved to become absolute. Nevertheless, in that year there have been issued in the courts of Canada as many as 9,282 decrees absolute. Ninety-two petitions were dismissed and 407 were withdrawn. At this stage, however, honourable senators, with your leave I would like to put on the record as Appendix B a statement giving in much greater detail the facts and figures I have just mentioned.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

(For statement see Appendix B, p. 241.)

Hon. Mr. Roebuck: While that is an impressive number of cases finalized under the new act, it compares fairly well with those of previous years. In 1967 there were 11,165 cases, and in 1968 there were 10,291 cases under the old law with 459 cases under the new law, making a total of 10,750 in all. This is not very different from what has gone on in the past except that because of the lag and the very large number of petitions there will be a very great hold-over until this year.

May I have your permission, honourable senators, to file yet another statement giving in detail the figures for cases that have been heard in the various provinces?

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

(For statement see Appendix C, p. 242.)

Hon. Mr. Roebuck: We are especially interested, of course, in the Provinces of Quebec and Newfoundland, because the Senate has been the divorce court for these provinces for many years. A special effort was made to bring the returns for these two provinces up to date and we find that from July 2, 1968, until October 24, 1969—the latest report we have been able to obtain—there were filed in the Province of Quebec 7,447 cases. The province was divided into two sections, the headquarters of one being in Montreal and the headquarters of the other being in Quebec City. The grand total, as I said, was 7,447 cases filed, with 4,229 disposed of, which shows a very large growth over and above

the number of cases in the past in the Province of Quebec. There will be carried over from this past year into the current year as many as 3,218 cases to be added to the new cases which no doubt will be filed.

My honourable friend from Newfoundland, Senator Hollet, will be interested to know that the figures for that province are not so large. The number of cases filed in Newfoundland during that period were 228, very many more than the dozen or so that we used to try each year. But during the last year with the new act there were 228 cases, of which 128 were disposed of, leaving 100 cases pending to be heard in the present year, together with such others as may be filed.

While the cases I am moving today will not be finalized for 30 days and are subject to appeal in the interval, I feel the work of the committee and of the Senate in this regard is now really completed.

According to the new rules, in future matters of divorce will be referred to the Standing Senate Committee on Legal and Constitutional Affairs; and it just so happens, though I think it was not planned, that I have the honour to be chairman of that committee.

One bill has already been presented and referred to that committee, and a special subcommittee will be appointed very shortly to deal with it.

Let me say that procedure is not by way of appeal. Such a Bill of Divorce, to set aside the judgment of the previous committee and the Senate, is heard *ab initio,* that is to say, with new evidence. The evidence to be heard by the trial court which will be constituted may be quite different from the evidence upon which the previous committee acted. So, it is not exactly an appeal; it is a trial *de novo,* with new evidence.

So moving the current resolutions is the final act in the task which the Senate has discharged with industry, skill and devotion over the past 100 years.

There have been many chairmen who have served during that period with distinction and, I hope, satisfaction to themselves, and certainly with credit to the Senate. I would like to point out that my immediate predecessor in this office, in this public service, was Senator Aseltine.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I am very happy to see that he is with us at the moment.

Hon. Mr. Aseltine: I am glad to be present, to hear your final address on the subject.

[Hon. Mr. Roebuck.]

Hon. Mr. Roebuck: We are glad to have Senator Aseltine with us. We two are the only surviving chairmen who have sat on this committee, and between us we have carried this burden for more than a quarter of a century. To be more accurate, he and I have been chairmen of this committee for a combined total of 26 years.

Hon. Mr. Croll: There was not much room for advancement for others!

Hon. Mr. Roebuck: Nobody wanted the advancement, I can assure you.

Hon. Mr. Aseltine: We must have been irreplaceable.

Hon. Mr. Roebuck: Senator Aseltine is a distinguished past chairman who has every right to be proud of his administration during his period of office; and we are happy in being proud of him.

As for me, well, I am the final chairman in bringing this matter to a close today—"the last of the Mohicans", I might say. I was appointed on November 18, 1953, so that on the 18th of this month I had served for 16 years. And, honourable senators, your continued confidence has been my reward with, of course—I think I am entitled to this—the satisfaction that one can draw from the performance of an important and honourable public service. Of course, the work has been within the scope of my own profession, in which I am fortunate in having had many years of experience and training.

Once again, at this time it is appropriate that I pay credit where credit is due. It has been due to the faithful work of an excellent staff, headed by our chief clerk, Mr. Gerard Lemire, assisted by Mrs. Mary B. Anderson, the commission secretary, and to a good many others, including the two commissioners and all those who have been members of the Senate Divorce Committee, that in the 16 years in which I have been chairman the Senate has passed, without exception, every motion which I have made. Not one single case in the many thousands we have heard has been referred back to the committee on any point of merit in that lengthy period of 16 years.

Now may I have the privilege of putting on record the "honour roll," shall I say, as we conclude this work? Let me first mention those who have gone before us in recent years: Senators Baird, Barbour, Bradley, Euler, Farquhar, Gershaw, Golding, Hawkins, Hnatyshyn, Horner, Howard, Howden, Irvine,

quite recently, and Senators Lambert and Austin Taylor. These were honourable senators who served faithfully and well during their lifetime and are now honoured by us.

Let me also mention the "honour roll" of those who have served in recent years, who are still alive and, I am glad to say, members of this house: Senators Blois, Burchill, Cameron, Croll, Farris, Fergusson, Gladstone, Haig, Hollett, Inman, Isnor, Kinley, Smith and myself.

I apologize for taking your time but, really, that is an honour roll, in my judgment.

While I am pleased with having the opportunity to turn my attention to other activities, I admit a certain nostalgia as I look back to the delightful associations which I have had with all these wonderful people who have served with me for these many years, including those who have sadly passed on. Those and the present members have devoted time and thought from a sense of duty. We used to sit on Mondays and Fridays when other members were at home; we sat in the mornings when others were having their breakfast or opening their mail; and this went on year after year without even credit for attendance, with very few complaints.

My colleagues have left a record of which each can be individually proud. It has been due to their constant vigilance, meticulous attention to detail and a most commendable industry that I can now refer to such a record. There has been a camaraderie among us, an esprit de corps, that has set us apart as a happy family—and note this—with never a clash or a cross word between us in all that time.

May I call to your attention as well the fact that every one of those 7,000 to 8,000 cases that have come before us was decided unanimously. There has never been an objection by a single member of the committee to a report I have made. That is a remarkable record over 16 years of judicial proceedings in the hearing of between 7,000 and 8,000 cases.

Hon. Mr. Aseltine: I had a like experience.

Hon. Mr Roebuck: Exactly. You can speak to it, and I hope you will. I am speaking of my own experience.

It is, of course, with a certain regret, as well as very great relief, that I realize we have now held what is probably our last meeting. The motion that I now move is quite surely the last act in a long and happy association among us, and the conclusion of one of the Senate's duties that has been carried out over the course of one hundred years. This has been a century-old task, and so far as the Senate and the Senate Committee are concerned, the curtain comes down at this moment by this last act in a hundred years of devoted public service.

Honourable senators, I have in my hand a statement of divorce applications filed between July 2, 1968 and October 24, 1969, from Quebec and Newfoundland, the two provinces in which we are especially interested. I ask that this be appended to the record of today's proceedings.

The Hon. the Speaker: Honourable senators, is it agreed that this document be appended to the record of today's proceedings?

Hon. Senators: Agreed.

(*For statement see Appendix D, p. 243.*)

Hon. Walter M. Aseltine: Honourable senators, I agree entirely that this is a very historic occasion. For 100 years Parliament has been granting divorces under the power given it by the British North America Act, and we have now arrived at the time when parliamentary divorce becomes a thing of the past.

I am really surprised that Senator Roebuck has had the energy and the time to prepare the details that he has put on the record today. I congratulate him most sincerely for what he has done, and for what he has said today.

He very kindly referred to the time that I spent as a member of the Standing Committee on Divorce. I do not know whether I have ever told honourable senators how I came to be appointed a member of this committee in the first place. I arrived in Ottawa in January 1934, having been summoned to the membership of this house on December 28, 1933. The first person I met in the hall was Senator Gerald White of Pembroke, who at that time was our Whip. He showed Senator Horner and me to our rooms, and then turned to me and said: "I hear that you are a lawyer and that you have had a lot of experience in divorce matters in the Province of Saskatchewan. I would like you to agree to become a member of the Senate Standing Committee on Divorce." I wanted to help with the work, and I agreed. That is how I became a member of the committee.

Hon. Mr. Roebuck: Tell about how I became chairman.

Hon. Mr. Aseltine: I will tell about that later on.

The chairman, elected by the committee itself, as has been the practice ever since, was Senator McMeans of Winnipeg. Senator White asked me to give the chairman as much help as I could. After Senator McMeans the next chairman was Senator Cliff Robinson, and he handled the work capably and to my full satisfaction. I was fairly critical about the committee, and I insisted that the work be done in the proper way.

Senator Copp then acted as chairman of the committee for about a year, after which Senator Robinson came back again. I followed in their footsteps until about 1953.

During my time as chairman I was ably assisted in the work by Senator John T. Haig. Quite frequently, and particularly after World War II, we had a great many petitions to deal with several times a week. I remember that the committee sat on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays, and sometimes on Saturdays. When the docket contained eight, ten, or twelve cases, I would ask Senator Haig to deal with half of them, while I took the other half. Three members of the committee was a quorum, and he would take a quorum and go into another room and dispose of half the cases on the docket. He kept that up, honourable senators, until about the time I decided to relinquish that position.

I had to give up the chairmanship of the committee because the number of members on our side was down to four or five, and I could not afford to spend the greater part of my time dealing with petitions for divorce. I got in touch with Senator Roebuck. I told him the reason why I thought I should give up the position, and asked him if he would be interested in serving as chairman of the committee if he were chosen. At first he put me off, as he did on several occasions following that, and I did not really know what I was going to do. But finally, after several interviews, I persuaded him that he was the man. He was chosen as chairman at the first meeting of the committee, and he proved to be indispensable.

I want to thank him for relieving me and for the wonderful work that he has done in the years since 1953. I did not exactly retire but allowed my name to remain on the committee for some considerable time. It was not until the early 1960's after serving about 30 years, that I suggested to our Whip that my name not be put in the hat, so to speak, and that I should be relieved from being a member. During all of that time I was very much interested in this whole question.

[Hon. Mr. Roebuck.]

I will not go fully into the work I attempted to do, except to say that, as honourable senators probably already know, in 1938 Senator McMeans and I brought in a bill to enlarge and reform our laws in connection with divorce along the lines that were adopted in Britain by their Matrimonial Act passed in 1938. That bill, after some five or six months, passed through the Senate and was sent to the House of Commons. It was so close to prorogation that it did not get second reading over there, and died. Then, although it was our intention at the time to bring in another bill in 1939, World War II started and we were very busy until after 1945. Rehabilitation was taking place after that, with the result that it was not until 1955 that I introduced a similar bill to modify, enlarge and deal with this very important question of divorce. That bill did not get very far. There was a big debate on it, but it did not receive second reading.

In 1956 I started to attack the question in a little different way. I had always been in favour of the abolition of parliamentary divorce. I wanted to get rid of it at some time or other if at all possible. This bill of 1956 was a bill to give the Exchequer Court of Canada full jurisdiction in divorce. If that had passed, matters would have been about the same as they are now, except that the provinces all have their own courts, and the Exchequer Court, although at first part of the new arrangement, is practically out of it now.

After 1956 there was a lull. We did not have any new bills of this nature with respect to divorce. About 1966 and 1967 a number of bills were introduced in the other place and here, which were debated. One of the Senate bills on which we had extensive debate was Bill S-19. As a result, and in order to deal with these bills in the proper manner, a joint committee of the Senate and House of Commons was set up to deal with divorce. That committee reported in June 1967. I have a copy of that wonderful report in my hand. I was a member of that joint committee. After dealing with all the briefs that were submitted, we attached a draft bill to the report. That was one joint committee which really got results.

The other day we were talking about setting up a joint committee on the White Paper on Tax Reform. I was in favour of such a committee, partly on account of the fact that the Joint Committee on Divorce had been so successful. The report of that joint committee was received very favourably in both houses, and the Government brought in Bill C-187 in

1967. It was given final reading in December 1967 in the House of Commons and came to the Senate. We passed it here after a long debate and consideration in committee. It was proclaimed on July 2, 1968.

I do not take any particular credit for the long time that I spent at this work in the Senate. The work was not difficult for me, as I had had considerable experience before I came to Ottawa and I was pleased to do what I could. That is why I was interested all through those years in getting rid of divorce or, in the alternative, of having our divorce laws modernized. I never did think that I would live long enough to see that happen, but now parliamentary divorce has been abolished, except for the odd petition for a private bill which would, of course, cost quite a little bit of money and would not get very far. I want to thank Senator Roebuck again for his kind remarks about me.

I join with all honourable senators in celebrating the demise of the Standing Senate Committee on Divorce. However, I sincerely hope that its distinguished chairman and the distinguished members of that committee will live on for many years, satisfied that they have done a good job.

Hon. Leopold Langlois: Honourable senators, I cannot let this historic occasion pass without joining honourable Senator Aseltine in expressing to Senator Roebuck our deep appreciation of his tremendous and splendid participation in the work of the committee over these long years.

Hon. Mr. Fournier (Madawaska-Restigouche): I wonder if Senator Roebuck could tell us how many divorces were passed by this committee in the period of a hundred years?

Hon. Mr. Roebuck: No, I could not get those figures without going back a hundred years and counting them.

Hon. Mr. Fournier: Do not do it then.

Resolutions adopted, on division.

BUSINESS OF THE SENATE

Hon. Leopold Langlois: I would like to remind honourable senators that the Special Committee of the Senate on Mass Media, which was scheduled to sit at 5 o'clock this afternoon, will be sitting momentarily in Room 260-N, and will resume its sitting at 8 o'clock this evening.

I wish also to inform honourable senators that tomorrow at 5.45 p.m. we will be having Royal Assent in this chamber.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(*See p. 234*)

DIVORCE STATISTICS

RESOLUTIONS OF SENATE SINCE COMING INTO FORCE OF DISSOLUTION AND ANNULMENT OF MARRIAGES ACT—FIVE SESSIONS SINCE 1963

	Resolutions and other Petitions	Reports of the Committee re Petitions
Session 1964–1965 (Feb. 18, 1964 to Apr. 3, 1965)		
Resolutions granted	859	
Other petitions reported by Senate Committee (withdrawals, dismissals)	36	
Total petitions presented		895
Session 1965 (Apr. 5, 1965 to Sept. 8, 1965)		
Resolutions granted	231	
Other petitions reported in Senate by Senate Committee (withdrawals, dismissals)	2	
Total petitions presented		233
Session 1966–1967 (Jan. 18, 1966 to May 8, 1967)		
Resolutions granted	1,304	
Other petitions reported on by Committee (withdrawals, dismissals)	28	
Total petitions presented		1,332
Session 1967–1968 (May 8, 1967 to Apr. 23, 1968)		
Resolutions granted	749	
Other petitions reported on by Committee (withdrawals, dismissals)	26	
Total petitions presented		775
Session 1968–1969 (Sept. 12, 1968 to Oct. 22, 1969)		
Resolutions granted	593	
Other petitions reported in Senate (withdrawals, dismissals)	157	
Total petitions presented		750
Total withdrawals and dismissals	249	
GRAND TOTAL		3,985

RECAPITULATION

	Dissolutions	Annulments	Resolutions
Session 1964-65	841	18	859
Session 1965	229	2	231
Session 1966-67	1,276	28	1,304
Session 1967-68	738	11	749
Session 1968-69	587	6	593
	3,671	65	3,736
Session 1969	4	3 (withdrawals)	4
GRAND TOTALS	3,675	65	3,740
Total withdrawals			252
Total number of petitions reported by Committee since 1964			3,992

APPENDIX "B"

(See p. 235)

DEPARTMENT OF JUSTICE

CENTRAL DIVORCE REGISTRY STATISTICS

(From July 2, 1968 to July 1, 1969)
as of July 1, 1969

Province	Total Petitions	Total Active	(Inactive) Decrees Absolute	Petitions Dismissed	Petitions Discontinued
Ontario—(48)*	16,495	13,270	3,019	35	171
British Columbia—(40)	6,373	4,535	1,754	22	62
Quebec—(2)	5,620	4,324	1,244	9	43
Alberta—(12)	5,062	3,219	1,796	4	43
Manitoba—(5)	1,711	962	704	3	42
Saskatchewan—(19)	1,149	748	373	7	21
Nova Scotia—(1)	874	641	217	7	9
New Brunswick—(1)	491	398	78	5	10
Newfoundland—(1)	158	125	28	0	5
Prince Edward Island—(2)	91	56	35	0	0
Yukon Territory—(1)	61	39	22	0	0
Northwest Territories—(1)	31	18	12	0	1
Total—(133)	38,116	28,335	9,282	92	407

* (No. in brackets indicates number of courts reporting)

APPENDIX "C"

(See p. 235)

DECREES ABSOLUTE GRANTED BY YEARS

	1967			1968*						1969 to June 30*			
				Former Law			New Law						
	Husband	Wife	Total	Husband	Wife	Total	Husband	Wife	Total	1968 Total	Former Law	New Law	Total
Nfld.**	5	6	11	8	6	14	0	1	1	15	**	27	27
P.E.I.	7	11	18	5	14	19	1	0	1	20	12	34	46
N.S.	145	249	394	177	314	491	2	4	6	497	146	211	357
N.B.	109	183	292	44	98	142	1	0	1	143	20	77	97
Quebec**	260	467	727	234	340	574	15	17	32	606	**	1,212	1,212
Ontario	1,869	2,481	4,350	1,792	2,582	4,374	30	39	69	4,443	330	2,950	3,280
Manitoba	225	252	477	194	212	406	21	38	59	465	135	645	780
Sask.	174	225	399	169	208	377	0	7	7	384	58	366	424
Alberta	623	1,113	1,736	599	1,131	1,740	51	135	186	1,916	229	1,610	1,839
B.C.	1,118	1,616	2,734	910	1,218	2,128	38	54	92	2,220	377	1,662	2,039
Y.T.	9	12	21	13	14	27	0	3	3	30	†	19	19
N.W.T.	3	3	6	5	4	9	1	1	2	11	†	10	10
	4,547	6,618	11,165	4,150	6,141	10,291	160	299	459	10,750	1,307	8,823	10,130

*Partial and preliminary statistics issued (in conjunction with D.B.S. and subject to revision at a later date).
**By session of Parliament under the former law only. Thus 1969 statistics are included in 1968 as part of 68–69 session.
†Not available

APPENDIX "D"

(See p. 237)

STATEMENT OF DIVORCE APPLICATIONS FROM THE PROVINCES OF QUEBEC AND NEWFOUNDLAND BETWEEN JULY 2, 1968 AND OCTOBER 24, 1969

	Cases Filed	Cases disposed of	Cases Pending
Province of Quebec			
Montreal Section	6,604	4,000	2,604
Quebec Section	843	229	614
Total	7,447	4,229	3,218
Province of Newfoundland	228	128	100

THE SENATE

Thursday, November 27, 1969

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
OTTAWA

27 November 1969

Sir:

I have the honour to inform you that the Hon. Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 27th day of November, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary
to the Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

ADJOURNMENT

Hon. Paul Martin: Honourable senators, with leave of the Senate, notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday next, December 2, 1969, at 3 o'clock in the afternoon.

Motion agreed to.

DIVORCE

EXPRESSION OF GRATITUDE TO PRESENT AND PAST CHAIRMEN OF COMMITTEE

Hon. Paul Martin: Honourable senators, I regret that because I had to attend a Cabinet meeting yesterday afternoon, I was absent during the discussion which followed the presentation of certain resolutions on divorce. Senator Roebuck made a statement. He was followed by Senator Aseltine.

I am grateful to Senator Langlois for expressing the appreciation of senators generally on the occasion of this important event, for the services rendered over a long period by Senator Roebuck, Senator Aseltine and others. Today, as Leader of the Government in the Senate, I should like to add my voice to this expression of appreciation.

As is reported at page 233 of the *Debates of the Senate,* Senator Roebuck said:

> The remarkable point about the procedure we are following today is that, with the passing of the last of these four cases, the jurisdiction of the Senate in the matter of divorces will have been exhausted. Its duty in the task which it has performed for the last one hundred years will be ended. I think I am justified in saying, in consequence, that that is an historic occasion.

It was an historic occasion. Speaking for the Government, I wish to express to Senator Roebuck, to Senator Aseltine and to their predecessors the deep appreciation of all senators and of the Canadian people for their work in the jurisdiction of divorce. In the case of Senator Roebuck, he has served for the past 16 years as Chairman of the Senate Standing Committee on Divorce.

The Divorce Act proclaimed on July 2, 1968 brought to an end the jurisdiction of Parliament in respect of divorce, a jurisdiction which had existed for more than 100 years, having been given to Parliament by Section 129 of the British North America Act. So, for more than 100 years the Senate Standing Committee on Divorce has performed a most valuable service.

Senator Roebuck is the last of a most distinguished line of chairmen of the Senate Standing Committee on Divorce. I was interested on reading Senator Aseltine's speech to note the circumstances of his relinquishment of the committee chairmanship and the circumstances which brought his distinguished successor to the chairmanship.

It is not without significance that this historic, important and laborious task should have in these 26 years been performed so ably by the two senior members of this house, in point of longevity. They are both vigorous men. Both are in good health. They are examples to all of us. I am privileged to pay them this tribute and, at the same time, thank them for their services in this important matter.

Hon. Senators: Hear, hear.

YUKON PLACER MINING ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly, for Hon. Salter A. Hayden, moved third reading of Bill S-4, to amend the Yukon Placer Mining Act.

Hon. Paul Martin: I am sure Senator Connolly will agree that this motion would normally have been made by Senator Benidickson, who is at the moment absent from the chamber. I just say this for the record.

Hon. Mr. Connolly (Ottawa West): The motion stands in the name of Senator Hayden.

Hon. Mr. Martin: I am sure Senator Connolly moved this for both Senator Hayden and Senator Benidickson.

Motion agreed to and bill read third time and passed.

OIL AND GAS PRODUCTION AND CONSERVATION ACT

BILL TO AMEND—THIRD READING

Hon. Leopold Langlois, moved third reading of Bill S-5, to amend the Oil and Gas Production and Conservation Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

PITTS INSURANCE COMPANY—THIRD READING

Hon. Eric Cook, for Hon. Daniel A. Lang, moved third reading of Bill S-10, to incorporate Pitts Insurance Company.

Motion agreed to and bill read third time and passed.

PITTS LIFE INSURANCE COMPANY—THIRD READING

Hon. Eric Cook, for Hon. Daniel A. Lang, moved third reading of Bill S-11, to incorporate Pitts Life Insurance Company.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Allister Grosart: Honourable senators, under Rule 46(m), which requires no notice of motion, I move the postponement of Order No. 5 until after Order No. 6 has been called.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

GENERAL CONFERENCE IN TRINIDAD AND TOBAGO

The Senate resumed from Tuesday, October 28, the debate on the inquiry of Hon. Mr. Connolly (Ottawa West), calling the attention of the Senate to the Fifteenth General Conference of the Commonwealth Parliamentary Association, held in Trinidad and Tobago, October 5 to 18, 1969.

Hon. Rhéal Belisle: Before expressing my views regarding the Fifteenth General Conference of the Commonwealth Parliamentary Association, held in Trinidad and Tobago, from October 5 to 18, may I offer a word of congratulations to the Honourable Jean-Paul Deschatelets for the very efficient and able way he carries out the duties of the office of Speaker. May I say that it is not only pleasure but an honour to work with him.

Hon. Senators: Hear, hear.

Hon. Mr. Belisle: The speeches made in reply to the Speech from the Throne have been of such a high calibre that everyone deserves a generous vote of thanks.

As was mentioned the other day by the Honourable John Connolly, it was my pleasure and privilege to be part of the Canadian delegation, along with the Honourable Raymond Eudes. The chairman of our Canadian Branch was the very able and experienced Parliamentary Secretary to the Prime Minister, Mr. James E. Walker, M.P. It was a pleasure to work and travel with him; and it was an education to listen to his comments, always grounded in sound common sense. His fine work of many years in the C.P.A. has been appreciated by so many delegates that he is known as our outstanding ambassador.

The part played by Senator Connolly in the C.P.A. was also of great importance. His wide knowledge of law and his intelligent approach to all the questions that came before the convention brought a clear, logical and rationalistic appraisal and judgment, based on the facts as he saw them.

All members of the Canadian delegation took part in one or more of the discussions. They were well briefed, but in order to be of some assistance during the meetings, we did a good deal of homework and had practically no leisure time. The briefings given to Canadian delegates to such international gatherings are, I believe, factual and useful.

We were told what our problems are, and having some familiarity with the problems of other countries of the Commonwealth —whether they are developed countries, donor countries or developing countries in the equatorial belt, in the Caribbean, in Africa or in Southeast Asia—our grasp of the problems was more readily accomplished.

Permit me to say a word of appreciation of the kind hospitality that we all received from our most affable Canadian High Commissioner in Trinidad, the Honourable Gerald Rau and from Mrs. Rau. He has been there for only some two months and already he is well spoken of.

As Senator Connolly has spoken at some length about the warm and personal hospitality of the people, the living accommodations, the transportation and other tour arrangements as being of the highest order, I will confine my remarks to other matters.

The leader of the Canadian delegation was the Honourable John Turner. He led the discussion in the committee dealing with the problem of "Youth in Revolt"—to which I was assigned also. May I say that it was the place of action. Mr. Turner's address not only electrified the group but left us with an unanswered question of the most crucial importance—are disruptions inimical to university life?

He made an eloquent plea, as only he can do when he is relaxed and in full knowledge of his subject. He spoke for some 26 minutes and he received the applause of the whole convention. I would like to summarize what I believe was his message.

He said that the tradition of the university as a sanctuary of academic freedom and centre of informed discussion is an honoured one to be guarded vigilantly. The basic significance of that sanctuary lies in the protection of intellectual freedom; the right of professors to teach, of scholars to engage in the advancement of knowledge, of students to learn and to express their views free from external pressures or interference. These freedoms can flourish only in an atmosphere of mutual respect, civility and trust among teachers and students. The result is that members of the university community are willing to accept self-restraint and reciprocity as the condition upon which they share in its intellectual autonomy. Academic freedom and the sanctuary of the university campus extend to all who share these aims and responsibilities. They cannot be invoked by those who would subordinate intellectual freedom to political ends, or those who violate the norms of conduct established to protect that freedom. Against such offenders, the university has the right and, indeed, the obligation to defend itself. Nor does the sanctuary of the university protect acts violating civil or criminal law, which are illegal, whether committed on or off the campus.

Attempts to disrupt or prevent the holding of classes are a matter of urgent concern to us. These tactics are fundamentally inimical to university life. No genuine education can take place if teachers and students are cast in adverse roles. Disruptions deny students their right to an education and scholars their right to be heard. The claim is false that only by disruptive tactics can criticism be made effective and university policies changed. In the past, important policy and curriculum changes have been made through faculty and student action, in which rational discussion has been used to find constructive solutions to problems.

Mr. Turner also said that we recognize the need for further reforms and hope that all Commonwealth members of the university community will join in the process of orderly discussion leading to such changes, but we cannot accept force as a substitute for reasoned argument in deciding matters affecting the curriculum, instruction and administration of the university. It is desirable that university discipline be administered through bodies representative of the academic community, but this can be effective only if their members accept their responsibility to protect each other's rights and demonstrate the will to act. Mr. Turner called upon all members to defend by example and by action the fundamental principles of a free university. It is our intention not to surrender the safeguards of freedom that men have erected at great sacrifice over several centuries. This summarizes Mr. Turner's thoughts on the subject.

Many other speakers gave us honest and frank discussions of the current question of why youth are in revolt. Some thought that there was a dreadful incongruity between the university and the state of mind and behaviour of the radical left on the world campus today. In place of a calm science, we have people utterly absorbed in the affairs of this passing world, and instead of these affairs being discussed with knowledge and without passion, we find them treated with intense of passion and a minimum of knowledge.

Instead of resisting excitement, we have a readiness to react emotionally and at once to

a great variety of issues. In place of self-possession, we have screaming bouts, street brawls, clichés and obscenities and virtually meaningless slogans. It was the consensus that in this age of technical innovation and the explosion of knowledge, never has there been an era when the problems of public policy even approached in their complexity those by which our society is confronted today.

I am pleased to mention that the honourable Chairman of the Foreign Affairs Committee, Senator Aird, gave us the opportunity last spring and summer to study Canada's relations with the Caribbean countries. A study of their standard of living prepared us in one way to receive more favourably the recent report prepared by the Right Honourable "Mike" Pearson, with whom I enjoyed sharing the provincial and federal problems when he was the federal member for Algoma East and I the provincial member for Nickel Belt Riding, which were nearly the same except that Mr. Pearson had the Manitoulin Islands and I had the mining communities surrounding Sudbury.

May I say, in passing, that I have read in part the Pearson Report entitled *Partners in Development* and I am in agreement with it. It is a remarkable document, both for the wealth of information it provides and for the persuasive marshalling of its arguments. In brief, it calls for the achievement of the United Nations' goal of one per cent of developed countries' gross national product for foreign aid by 1975. Knowing that Canada is one of the very few donor nations which has publicly accepted this goal, this was highly acclaimed by all countries represented at the C.P.A. Conference.

Delegates who took part in the committee session agreed that the Commonwealth was an important organization which had a real role to play in world affairs, and that the CPA must contribute more towards fulfilling the promise of the Commonwealth. The size of the Commonwealth, embracing some 806 million people, indicates the magnitude of the role that the Commonwealth should play. There were, however, many problems within the Commonwealth which imposed a strain on its unity. Among such problems were Britain's failure to resolve the Rhodesia crisis, Britain's investment in South Africa, and racial and economic divisions.

Several delegates paid tribute to Britain's sense of responsibility in granting independence to so many countries in the Commonwealth. Canadian and New Zealand delegates expressed regret that Britain no longer provided the political leadership which the Commonwealth needed, and they hoped that a collective leadership would emerge.

A British delegate referred to the development of a climate of opinion in the United Kingdom which was latently hostile to the concept of Commonwealth.

One African delegate claimed that certain African leaders had expressed themselves in such extreme terms that they had exacerbated the problem of Rhodesia to the disadvantage of Africans there. He stated that no country in central Africa today could claim with sincerity and authority that she had severed her trade relations with Rhodesia and South Africa.

Malawi had consistently rejected the use of force in Rhodesia. An attack on Rhodesia would mean an attack on South Africa, Mozambique and other parts of Africa. War would mean untold suffering to the majority of Africans in Rhodesia and in the other parts of Africa which would be involved.

True leadership in Commonwealth and in African affairs must be founded upon honesty and realism and upon the inspiration of example rather than upon deception and hypocrisy. The right approach was to continue the dialogue between Britain and Rhodiesia, to demand that all African parties in Rhodesia should form one front and forget their differences, and to encourage those who could influence the Africans of Rhodesia to unite them and promote their political consciousness. Angry words over Rhodesia would solve nothing. The solution would be found in peaceful negotiations and persuasion.

One of Canada's priority aid commitments in the Caribbean is in the field of education, and we, the Canadian delegates, were proud to hear so many kind comments on what our teachers, from all provinces, are doing to assist in the training of these people. They are very conscious that if they are to continue to progress, their teaching should insist upon new research being done to absorb and use scientific and technological knowledge.

Honourable senators, whether the long-run political results will be beneficial is another and quite different question, and whether the side effects will strengthen the social fabric is likewise in doubt. However, for good or ill, overwhelming changes are going to occur. We should think about them if we are concerned with the welfare of the West Indies, Asia, Africa and Latin America, and with the relations of their societies with the rest of the world.

When I was travelling with a group of Asian and African colleagues, I asked them what the whites could do for the development of their countries. One ventured this reply:

> Those least capable of understanding what is happening in our countries are the British. Their reaction is more than a matter of unrequited love. The new formulations of black unity fly in the face of their liberal dogmas and challenge every cliche they hold dear. Such a cliche is "breaking up the Ghetto"; another is the "colour-blindness" mystique. Still another is their understanding of inter-racialism which requires, for instance, that every house party has, at least, one black guest. Many whites are even more shattered by the redefinition of their role or, more accurately, the rejection of their former role. The whites have not hated us; they have loved us. It is the bigots who have hated us, and hate is a bizarre kind of flattery. It pays its victims the high compliment of worthiness. But paternalistic love depreciates them. Hate says to a man he is an equal, paternalism tells him he is a child. Despite all protestations to the contrary, the historic negro-white alliance, from the abolitionists to the present day, has been on a paternalistic basis; we blacks have been junior partners, not equals. But what happens to paternalism when the child grows up?

I have quoted someone who spoke of the British. The same could be said of many other dominating countries.

He tried to explain to me that black people, especially of the lower economic state, were hitherto silent, pliant and largely invisible. But now they have found their voice. They are bursting with existence and are no longer willing to have their whole lives ordered by others. They insist upon making for themselves the decisions which determine their lives. They will make mistakes, but they must be their own mistakes, their own blunders. Free a man and he is not yet free. He must still free himself. This he viewed as a positive development toward participatory democracy.

Help and co-operation, he argued, must be given on those terms, or not at all. The worst result of the nation's racism is that even black people think of themselves as inferior. It has stunted their growth. A child does not mature as long as he plays the role of a child. When he reaches adulthood, it is good that he leaves the household and rejects the parent if the parent does not begin to view him as an adult. Asian and African people have now grown up in their self-image and they have walked out of the house.

To regain relevance in the struggle of these people, we of the west must reorient our feelings and thinking. We must get over seeing ourselves as great white fathers and mothers, brokers of power and patrons of these people. We must learn that if, in the missionary way, we stoop down to offer the hand of friendship, the offer will be rejected, the hand bitten. If we offer it laterally, it will be circled warily, eyed suspiciously, then perhaps taken gingerly and tentatively.

After listening to many speeches, some of them very interesting, delivered to us with serious and obviously good knowledge of their subject, some given only with passion and biased opinions, I am convinced that the future of the Commonwealth Parliamentary Association rests on whether we realistically understand them because, if we do not, no amount of debating will bring us cohesiveness. The result can only be dispersion. The obsolescence of the ascendancy of one camp or the other will be determined ultimately, not by rhetoric, and not even by leadership, as much as by events.

Events today seem to be pointing to a spirited new force—cohesion—and I think, at this historical juncture, that these events are right and good for all men and especially for those who have not yet fully enjoyed their freedom as man.

White men must learn to work with all men as equal, or else they will be written off by the inevitable march of time.

Hon. Paul Martin: Honourable senators, we are indebted to Senator Connolly (Ottawa West) for raising this question. Today, of course, we are grateful to Senator Belisle for reminding us of the important conference which he, Senator Connolly (Ottawa West) and others attended. The Senate, in my opinion, has established a useful practice in seeing to it that delegates who attend conferences of the Inter-Parliamentary Union, meetings of the Commonwealth Parliamentary Association, and meetings of NATO parliamentarians report to this house.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Martin: We had a good example of this yesterday, when Senator Carter took the initiative to report on the recent meeting in New Delhi of the Inter-Parliamentary Union which he, Senator Langlois and Senator Fournier (Madawaska-Restigouche) attended. This discussion is one upon which

we might take note of the status of the Commonwealth, viewed in its historic perspective and examined in terms of its future role.

Senator Connolly (Ottawa West) has, on a number of occasions since I came to the Senate, reminded us of the evolution of the Commonwealth. He has spoken strongly in support of this organism. As a former president of the Commonwealth Parliamentary Association, he has given us studied and accurate reports of the discussions that have taken place, particularly during the time that he was the presiding officer of the organization.

I might say to him that all parliamentarians in this country, and parliamentarians in other Commonwealth countries—this I know from my contact with them—were proud of the leadership he gave during the time he was President of the Commonwealth Parliamentary Association.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: We live in a troubled period of history. We seek individually and collectively a foundation for international collaboration. We recognize that in the Commonwealth, as it is presently constituted, an opportunity for a substantial contribution to international collaboration is to be found.

The Commonwealth, in our lifetime, has undergone great change. It has seen our own country go from colony to nation. This has been the experience of most other member countries today under the policy pursued by various governments in Her Majesty's United Kingdom. In our own time we have seen Canada, Australia, New Zealand, India, Pakistan, Ceylon, and South Africa acquire the status of sovereign states and the right to become members of that organization of sovereign nations, the United Nations. In addition, there are Malaysia and Singapore; and in the Caribbean, Jamaica, Trinidad and Tobago, and Barbados have become members of the family of nations.

Cyprus, that little island with which this country has had for some four years a close connection through our participation in the United Nations peace-keeping force, has acquired self-governing sovereign status. In passing I should like to say that it is to be hoped that negotiations between the Turkish and Cypriot communities on that island will result in a settlement that will bring permanent peace to the island, and thus enable the United Nations to discharge its obligation under the resolution the Security Council adopted in March four years ago.

In Africa there are the new sovereign nations of Zambia, Tanzania, Kenya, Uganda, Ghana, Nigeria, Malawi, Sierra Leone, Guyana, and The Gambia. Then, of course, there is Lesotho and Botswana. This is a grouping of nations in partnership with us in an organization not easy to define, an organization nevertheless that has a community of interest which gives it meaning and justifies our continued membership in it.

I have mentioned these countries from Africa. They represent peoples with whom we have had little contact except in recent years, though in the colonial period we shared with them advantages of association through the Commonwealth in its previous form, and today in its present form.

I wish to observe that while we have these contacts through the Commonwealth with the new emerging and newly emerged nations of Africa, we in this bilingual country cannot help noting with satisfaction the association we have with other countries in Africa, countries that share with us a community of language through our bilingual character. These are countries such as Senegal, Ivory Coast, and Niger, whose president Hamani Diori was only a few weeks ago a guest in this country. We have close associations with those Francophone countries, only three of which I have mentioned, not because we seek with them any effort at political orientation, but because we share with them the advantages of our common culture presented to us in Canada through one of the official language groups.

We have followed with interest the report of the discussions which took place recently in Trinidad and Tobago, which were emphasized today by Senator Belisle and mentioned earlier by Senator Connolly (Ottawa West). Senator Belisle reminded us that at that conference the Minister of Justice played a notable part in the discussion on problems facing the students in various countries represented at the conference. This brings home to us the fact that the unrest which we find both in and outside the universities of our own country takes place in other countries of the Commonwealth and, as we know, in most other countries of the world.

Those of us who do not belong to that generation must recognize that there are legitimate aspects to the problems that agitate our younger people. It will be the task of

university presidents, of leaders in all avocations, to understand and review these problems sympathetically so that we can march with them toward solutions. We must recognize that these young people are our children. They are children basically of good quality. They come from our homes; they share with us basically a common desire to participate in our national affairs and in world affairs, in a world at peace. We might well profit by the advice of a wise university president who recognized that it is in understanding and in tolerance, in firmness exercised in the right particulars, that we are likely to find a solution of this question.

Senator Belisle mentioned also the problems of the underdeveloped world. The fact is that of the populations of the world, 75 per cent of the people are in this category. Many of them come from Commonwealth countries in the Caribbean, in Africa and in Asia. They come too, from some of the longer established sovereign states of the Commonwealth: India, the second most populous country in the world, Pakistan, Ceylon, Singapore and Malaysia. It is therefore natural that as a Commonwealth country we should have a deep interest in the problems of underdevelopment.

It is significant that our first foray into the field of external aid came through our desire, along with other Commonwealth donor countries, to do something for some of the underdeveloped nations of the Commonwealth. Hence was born the Colombo Plan, in which the United States with its great wealth and resources was given the opportunity to associate with Commonwealth donor countries in trying to meet the problems that face the underdeveloped countries of the Commonwealth and of the world.

It is a matter of pride, as Senator Belisle underlined, that a former Canadian Prime Minister, Mr. Pearson, should have been selected by the World Bank to examine this problem. This was done not only in its Commonwealth context, but in the context of the need to provide the underdeveloped countries of the world generally with a better opportunity to raise their standard of living, take their part in the growing affluence of the modern world. The recommendations which Mr. Pearson and his fellow commissioners have made will receive examination by the Government of Canada, by other governments and by the World Bank, all designed to meet what undoubtedly is one of the challenging problems of our time and one from which neither we in the Commonwealth nor those outside it can escape.

It will not be easy merely by grants in aid, the pattern of the Canadian contribution, to solve the problem in the Commonwealth or outside it. The fact is that after nineteen years of foreign aid effort the gap between the underdeveloped and the developed countries is greater than when the first collective act of assistance was established. It may be that we will have to find supplementary methods to raise the standard of living, to raise the productive processes of the underdeveloped world and to enable it to share in the development of the world's more affluent economic life. Perhaps in some way, as Mr. Ball, a former Under-Secretary of the United States State Department, said, we will have to act not only through the preferential tariff system and other concessions in trade, but through some mechanism, to export the technological know-how of the western world to these countries. Perhaps we will have to give an injection to the African nations and the nations of Asia and the Caribbean of the kind of impetus given by President Truman and General Marshall at the end of the Second World War, which led to the economic resurgence of Europe. The Commonwealth will mean more and will have an enriching quality if these objectives are reached.

I said earlier that it was not an easy organization to define. One aspect that it has in common is the existence of what we know as the parliamentary system. The parliamentary system, as we have been reminded frequently—particularly when the speakers of the Commonwealth Parliaments deliberated in this very room last summer—is one of the guarantors of the maintenance of a free society. It is a system which is sometimes taken for granted at a time when the news media have acquired an almost pre-emptive place in the dialogue between the people and those who comment on public affairs, but who are not themselves members of the parliamentary system.

Senator Belisle spoke of the views expressed by the delegate from Malawi with regard to the problem of Rhodesia. The fact is that most governments of the Commonwealth had strong views on the decision of Mr. Smith to embark on a program known as a unilateral declaration of independence. It was felt that meant the perpetuation of the discrimination practised by the government in that country contrary to the Charter of Human Rights and the provisions of the

Charter of the United Nations. It was practically a unanimous prime ministers' conference that indicated that it would not accept such a unilateral declaration. The Commonwealth was basically united in its condemnation of discrimination against the blacks in that country. It was following this that we had first of all the voluntary sanctions of the Security Council, lived up to by Canada, and finally the mandatory sanctions of the Security Council, again observed by Canada, imposing embargoes both ways against that country. As well, we removed our diplomatic presence from Salisbury.

It was the same resistance to the discrimination practised in Rhodesia that caused most of the Commonwealth countries five years ago to join in the United Nations in a condemnation against a former Commonwealth country, South Africa. It seems to me that if those of us in the Commonwealth who are white had not thus acted, if we were not determined to do all we could to witness nondiscrimination as prescribed by the Charter of the United Nations, we would not be serving the cause of the Commonwealth, nor would we be serving the purposes which underlie the Charter of the United Nations, to which we affixed our signature in April, 1945 in San Francisco.

The Commonwealth, like many other institutions of our time, is the subject of examination and in some areas the object of dissent. I for one believe strongly that in the interdependent world in which we live, an interdependence that has been brought home to us by the achievement of the astronauts, by those who first set foot on the moon, we have to move towards a healthy form of internationalism, an internationalism not in contradiction to national integrity and national aspiration. The world is too big to think that it could be unitary, but undoubtedly if we are to have peace in the world there have to be restraints on nations as restraints are placed on individuals in the domestic community.

I strongly support the continued maintenance of the Commonwealth. I am sure most Canadians do, because we recognize in it, in this organization of sovereign states, a valuable contribution to international collaboration and to the kind of world community under law which we wish to see built. Canada has made its contribution, as have other countries in the Commonwealth.

We have now a Commonwealth organization directed by a Canadian, one of our distinguished foreign service officers, Mr. Arnold Smith. The organization he heads is not the organism that Sir Wilfrid Laurier and Sir Robert Borden opposed. It is not an effort at giving to the Commonwealth a particular structural base, to which most of these former Prime Ministers objected. It is rather a mechanism for enabling the assistance to be given to the underdeveloped countries, an organism designed to promote acts of co-ordination within the realm of practical achievement.

So, honourable senators, as the Leader of the Government today, I felt I should express these views about the Commonwealth, views which are shared by my colleagues in the Government, views that I believe are shared by the great majority of people in our country. In no way does our own nationalism become abridged because of our recognition that here we are given the opportunity for true international co-operation; and in our case giving us contact not only with Europe through Britain, but through Australia and New Zealand contact in Australasia, and with that part of Asia from which Ceylon, Pakistan and India come, and likewise contact with the new, emerging continent of Africa, with which we would have no contact, no great knowledge, were it not for the fact that we share with these countries of the Commonwealth in Africa a common base—a common base that because of our bilingual character, as I said, has given us these additional contacts with the Francophone countries of Africa. I had the pleasure and responsibility of visiting the Francophone countries last November on behalf of the Government in connection with certain international conferences which were about to take place in Africa, and in connection with which the Government of Canada felt there should be a Canadian presence.

The Commonwealth captures our intelligent and civilized support. We recognize in it, through the Commonwealth Parliamentary Association, through other means of contact with parliamentarians all over the Commonwealth, an organism that can play a useful part for the people who belong to it, but more particularly for the kind of contribution they can make to the effort that men and women all over the world today, with their governments, are making in seeking to guarantee foundations for a more peaceful world.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Emmett M. Hall, Puisne 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 Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk Assistant.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

An Act to wind up the Canadian Corporation for the 1967 World Exhibition and to authorize the writing-off of certain costs and the deferral of certain payments connected therewith.

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, December 2, at 3 p.m.

THE SENATE

Tuesday, December 2, 1969.

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copy of Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo, September 14, 1963, together with copy of Certificate of Ratification by the Government of Canada, dated November 6, 1969.

Task Force Reports on the Cost of Health Services in Canada, Volumes 1, 2 and 3, in draft form, submitted to the Minister of National Health and Welfare in November 1969.

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, November 26, 1969, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

Copies of letters, dated March 17 and April 1, 1969, exchanged between the Prime Minister of Canada and the President of the Executive Committee of the City of Montreal, with respect to the Company of Young Canadians. (French text).

FLAX

LOSS OF SALES—LAKEHEAD SHORTAGE—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, first I would take this occasion to welcome Senator Kickham back to the Senate chamber after a long and difficult illness.

On November 25 Senator Aseltine asked me four questions. No. 1 reads:

1. Who is in charge of the transportation of flax to the Lakehead?

The answer is that the Canadian Wheat Board is responsible for establishing delivery quotas at country elevators and issuing shipping orders to the elevator companies for movement of flax to terminal elevators. The board also issues instructions to the elevator companies, stating the priority for loading of cars at country elevators.

The three other questions are as follows:

2. Why was there not enough flax at the Lakehead to fill commitments for Canadian flax, the 1969 flax crop being over 30 million bushels?

3. Who was responsible for the shortage—the railways, the grain trade, the Wheat Board trade?

4. And, if none of them, who was responsible?

Certainly, the Leader of the Government in the Senate was not responsible. The answer to those questions is as follows.

Flax exports last year were 13.4 million bushels, and there were below normal supplies of old flaxseed left on farms and in country elevators at the end of the crop year. As a result, the possibility of new business for shipment in the early months of this crop year depended on new crop supplies. Unfortunately, harvesting was late in many areas. Realizing this, the Wheat Board worked very closely with a committee of responsible members of the grain trade to maximize the movement and sale of Canadian flax. The Board established a 5 bushel per seeded acre quota at the beginning of the crop year. This has since been increased to 8 bushels. As at October 22, flax deliveries to country elevators in the current crop year were 4.3 million bushels, with stocks of 2 million bushels on hand in country elevators. This compares with deliveries of 1.4 million bushels during the same period a year ago and stocks in the country elevators on a corresponding date a year earlier of 1.5 million bushels. The Board has granted shipping orders promptly and has given flax the highest priority of any grain for shipment to the Lakehead, taking precedence over Board grains—wheat, oats and barley.

Hon. Mr. Aseltine: I thank the Leader for that information.

QUARANTINE BILL

SECOND READING

The Senate resumed from Thursday, November 20, the adjourned debate on the motion of Hon. Mr. Smith, for second reading of Bill S-12, to prevent the introduction into Canada of infectious or contagious diseases.

Hon. Joseph A. Sullivan: Honourable senators, in rising to make a few comments pertaining to Bill S-12, known as the Quarantine Bill, I would first like to thank the Leader of the Government for allowing this legislation

to be postponed for a week so that I could participate in the debate. Secondly, I wish to thank my own leader for asking me to speak to this legislation, and Senator John Macdonald for his kind remarks.

I have gone over this bill thoroughly and read the pertinent and well-thought-out comments of the sponsor of the bill, Senator Smith. He, as a member of the dental profession, has undertaken to make himself thoroughly acquainted with the prerequisites of this new piece of government legislation which, with some exceptions, I fully endorse. It is readily discernible, by reading the sponsor's comments, that he has been more than adequately briefed by the officials in the department.

I must say that I am in complete agreement with the remarks made by two distinguished members of the Senate, Senator Lazarus Phillips and Senator Grattan O'Leary, in their pregnant and yet important description of these gentlemen who very often give so-called expert evidence before the committees of the Senate. That was aptly demonstrated in the Food and Drug bill which, by careful reasoning and suggestions, was modified by the Banking and Commerce Committee, as were other pieces of legislation, under the distinguished chairmanship of Senator Hayden.

This reminds me of a good definition given for an efficiency expert: He is one who is smart enough to tell you how to run your business and too smart to start one of his own.

Now to get down to the meat of this bill. It is a long-overdue piece of legislation, but this I can readily understand, because with the Parkinsonian Law in effect in government it is very difficult to do all things at one time. To say that I agree with all that the sponsor has analyzed and proposed for the Government is just not true. I propose to make a few comments as a medical man. It is the medical profession, as you know, that has to do with quarantine in all its aspects.

There are three ways of chronicling legislation. It can be described academically; it can be narrated novelistically; it can be interpreted scientifically. The term "science" is derived from the Latin *scire,* meaning "to know, to understand" and, as such, it embodies a concept of an ordered knowledge of nature and of man. This legislation certainly has a scientific aspect to it.

I should like to give you a definition of science. Science may be defined by us as an active, progressive, cumulative and dynamic process of acquisition of knowledge about man and nature. One has two ways of expressing oneself—through art and through science. Art is an individual manifestation; it is the "I" expressing, individually, its own emotions. Science is a collective manifestation: the "we" pooling its rational knowledge and trying to accomplish something according to a method or system.

I assure honourable senators that my discussion will be entirely constructive. I shall keep my remarks brief and to the subject, and capable of being scientifically substantiated; otherwise, I would not make them.

At this point I wish to re-emphasize a statement made by the sponsor of the bill as it appears in the *Debates of the Senate* of November 20, 1969, at page 189:

> In designing the present bill, note has been taken of the fact that the Quarantine Act, to be repealed by this bill, consists almost entirely of regulation-making sections. Care has been taken to include in the basic legislation itself in the new draft every possible provision for the implementation of the measure, leaving to subordinate legislation—

And I underline those words.

> —in the form of regulations, only the remaining minimum which upon consideration is deemed essential.

There is some question in my mind concerning the use of the phrase "subordinate legislation". It should be spelled out in the bill, as I shall show. This very statement I have just read postulates in itself a great improvement over previous legislation.

In his discussion of the bill, Senator Choquette asked the sponsor a very important question with regard to the method of transference or communication of infection by other than human beings. In his reply, the sponsor used the word "things" and stated that there was a legal meaning to that word. I should prefer to give it its medical meaning and the reason for it; and that, I propose to do shortly.

Senator Thompson asked the sponsor a question pertaining to tuberculosis, to which he replied, quite correctly, that this particular aspect is not part of this legislation but comes under the authority of the Immigration Act. However, the question is important because it was most ably answered by Senator Roebuck. But I should enter a word of caution here: when a person has had tuberculosis and appears clinically cured, he is, nevertheless,

always suspect. That should be recorded and understood completely.

I personally have seen and have had numerous cases treated with the drug Streptomycin, who have been categorized as clinically cured of lung tuberculosis and who have had chronically discharging tuberculous middle ears, a bone disease which was not detected—a most difficult observation and diagnosis for the average clinician, let alone a quarantine officer. In many of these cases the people are completely deaf; nevertheless, they get into this country. What are we to do with them? We have to take care of them. We are not going to write to the Immigration Department and ask to have them sent home. This is occurring frequently. How we are going to counteract it is a problem. And, honourable senators, we just do not have the medical personnel in this country to do the job that we would like to do. It is all we can do to take care of our own citizens. This fact has been verified by the Dean of Medicine of the University of British Columbia, Dr. John F. McCreary, as reported in *The Canadian Doctor*, 1969, page 14. I am quite sure that Senator Kinley will accept that remark, a member of his immediate family being a distinguished member of the medical profession.

I turn next to mental disease. This is a problem within itself, and I am not nearly as optimistic as the sponsor of the bill that in committee we will get the answers to which he alluded in his remarks. I can assure him that we will certainly not get the answer from sociologists, psychologists or psychiatrists. We might get a reasonable answer from two neuropsychiatrists regarding mental disease.

I would here remind honourable senators of the attempt to define "mental disease" in the changes to the Criminal Code, particularly those sections relating to abortion.

I should like now to refer to page 3 of the bill, section 7(1). Here I would suggest that the word "insect" be substituted for "vermin" at line 3. "Vermin" has a different connotation. "Insect" has a broader definition, including mosquitoes, such as might be brought into this country aboard aircraft; mosquitoes which might also be carrying the causative agent of diseases such as dengue fever from Puerto Rico, where it is epidemic at the present time.

The same section makes reference to "carriers of an infectious or contagious disease." It would be more correct to say "carriers of causative agents of infectious or contagious disease," since insects do not carry the disease but do carry the causative agent. This is also true in the case of birds, such as parrots, which carry the causative agent. People carry them on airplanes or put them in luggage compartments, and frequently they carry the causative agent which produces the disease known as psittacosis. In certain countries it is much more common than is generally realized. As a matter of fact, last summer in the lake area I go to, there was a visitor from Mexico who had this infection. At first it was thought to be mononucleosis, but he did not know this. This parasite can be detected in the bloodstream, and many birds imported into this country are so infected.

I refer honourable senators to page 5, subsection 2, paragraph (f). This is perhaps academic, but it seems to me that the conjunction "or" is required between subparagraphs (i) and (ii). It would then read as follows:

> —shall not be longer than the incubation period prescribed for that disease, or
> (ii) he submits to being vaccinated against that disease.

I refer next to page 6, section 10, line 4. There again, it seems to me it would be well to have it read: "...carriers of the causative agent of an infectious or contagious disease."

The most important part of the legislation appears on page 9 in section 19, subsection (1), paragraph (g). At the present time there is considerable discussion in the United States, and to some extent in Canada, as to the advisability of deleting the recommendation of primary vaccination against smallpox in infants and children because of the very low incidence of this disease in the western hemisphere. The argument pertaining to this discussion was recently presented at a meeting of an independent group studying smallpox vaccination of imported cases into the United States and Canada, the American Public Health Association, Philadelphia, November 10-12, 1969. This scientific information is so recent that the very essence of what I am about to state and the papers presented at this meeting in Philadelphia are being published in the *New England Journal of Medicine*, November 30, 1969.

In view of the fact that more people die in Canada from smallpox vaccination than from the disease smallpox, every precaution should be taken not to vaccinate any person wherein there are definite contra-indications. With the advent of the great drug armamentarium and with people taking all kinds of drugs today, its importance becomes evident. Besides ecze-

ma, which is one of the outstanding contra-indications, the use of various agents such as steroids and alkylating drugs—Alka-Seltzer and things of that nature—makes caution necessary in the employment of vaccination.

Hon. Mr. Martin: Would there be occasions when Alka-Seltzer would be an appropriate medication?

Hon. Mr. Sullivan: Its continuous use will alkalize the system and render one liable to react to the injection of the vaccine. I am not trying to frighten certain persons whom I saw taking Alka-Seltzer last night, but, at the same time, I think they should be cautious.

I would suggest adding the following to the latter part of paragraph (g) of Section 19(1):

> That persons with eczema or diseases such as leukemia, lymphoma, or generalized malignancy or those who may have lowered resistance such as from therapy with steroids, ...

—such as the cortizone drug which many people use now for rheumatoid arthritis—

> ...alkylating drugs, antimetabolites or radiation, ...

—as in radiation of the glandular system—

> or during pregnancy in which immunization is deemed to be contra-indicated, be exempted from this section at the discretion of the quarantine officer.

And he should be a medical man.

This suggestion is substantiated in another way by The World Health Organization, Geneva, 1966, International Sanitary Regulations, Article 98, footnote 9, which reads as follows:

> If a vaccinator is of the opinion that vaccination is contra-indicated on medical grounds he should provide the person with written reasons underlying that opinion, which health authorities may take into account.

Let me clarify my position on what might be some misunderstanding regarding these thoughts on smallpox vaccination and the reasons just given for changing section 19(1), paragraph (g).

There is no question about the efficacy of smallpox vaccination. It is an extremely effective procedure and, if carried out in the proper fashion and with potent vaccine, it will undoubtedly control and effectively eradicate smallpox from the world.

[Hon. Mr. Sullivan.]

The advisability or otherwise of continuing smallpox vaccination of infants and children in Canada and the United States is under discussion, but it is the authoritative opinion of Dr. Milton H. Brown, Fellow of the Royal College of Physicians, Emeritus Professor of Hygiene and Communicable Diseases, School of Medicine, University of Toronto, and one of the outstanding authorities in America in this particular field, that there is no question but that smallpox vaccination (primary) should be continued in infants and children in Canada until there is sufficient further experience to warrant its cessation.

The reasons suggested for the changes in paragraph (g) of section 19(1) can be amplified by pointing out the contra-indications, and since there has been no smallpox in Canada or the United States in the last few years, except an imported case from South America in 1962, every endeavour should be made to prevent the unnecessary complications of this procedure by not carrying it out in the groups which were outlined in my previous remarks. The bill should specify those persons, namely, those who are suffering from certain diseases, and those receiving antimetabolites, et cetera. Most of the complications of smallpox vaccine have occurred in persons with eczema or those suffering from other contra-indications. Another reason for spelling out in detail the contra-indications is that the act does not state that the quarantine officer will be a medical doctor; in fact, it permits a customs officer to play the role of a quarantine officer in certain circumstances.

In the most recent recommendations regarding immunization by the Public Health Service Advisory Committee on Immunization Practices, United States Department of Health, Education and Welfare—which just came to an end in November of this year—the same precautions are advised for all live vaccines, that is, live poliomyelitis, measles, mumps, rubella, and yellow fever vaccines. So, what has been said about smallpox applies to all those live vaccines.

I wish to illustrate by means of a hypothetical case the following practical problem. We might, for example, have a plane arriving from Central Europe with immigrants, and it is determined upon its arrival that there is a case of smallpox on board. If the plane arrives in Montreal, there is available a semi-isolation hospital at the Pasteur Institute. However, should it arrive in Toronto, there is no isolation hospital available. Is this a provincial matter or is it a federal matter?

If the health of the province is a provincial matter—and knowing that I am a doctor you can read what I am thinking between the lines—then I should tell the Minister of Health: "So is medicare." We might—and I emphasize "might"—get that point clarified in committee.

Hon. Mr. Martin: Did I understand the honourable senator to say that in Toronto there is no isolation hospital?

Hon. Mr. Sullivan: It has been removed. If there was a case of smallpox in Toronto we would have to take it to one of the major hospitals, and isolate almost a whole ward, to put the patient in isolation. The isolation hospital in Riverdale should not have been removed. But in Montreal the Pasteur Institute handles these cases. This is a problem that can confront the country, having regard to the state of air travel today.

In closing, honourable senators, I highly commend this legislation to you. The recommendations I have suggested are medically and scientifically sound and up to date, and I trust that in committee I will not be confronted by some individual from the department telling me that all of this is in the regulations.

Before resuming my seat I should like to bring to the attention of all honourable senators this excellent novel concerning quarantine, which is particularly appropriate with the Apollo astronauts in the city today as our guests. It is entitled *The Andromeda Strain*, and is by Michael Crichton. It is the story of a lethal infectious disease that is transmitted from the moon to the earth, and is well worth reading.

Hon. John J. Connolly: Could the honourable sponsor of this bill (Hon. Mr. Smith) tell us whether the regulations and the law in respect of the matter that Senator Sullivan has discussed so knowledgeably this afternoon are comparable in the United States and Canada? If he cannot answer that question, perhaps it can be dealt with in committee.

I should like to take this occasion to point out the invaluable contribution made by men who are eminent in their profession. This is an admirable forum for the type of speech we have just heard.

I was particularly interested in what Senator Sullivan had to say in view of the great amount of air travel today, the diversification of routes, and the arrival in Canada from distant places, and indeed in America generally, of people who may very well be carriers perhaps of the disease or the bases upon which the disease can be communicated.

Hon. Mr. Sullivan: The causative agents.

Hon. Mr. Connolly (Ottawa West): Yes, the causative agents. I remember many years ago travelling to Jamaica on business without having been vaccinated.

Hon. Mr. Martin: On business?

Hon. Mr. Connolly (Ottawa West): Yes, on business. I came back through Miami, where I was vaccinated, almost by force. It was a requirement of the U.S. Immigration that I be vaccinated before I be allowed to proceed on my way in an American plane to New York, and thence to Canada. Air Canada did not fly there at that time. The person who vaccinated me had done it many times before, I am sure, but he was no medical doctor. I never had such a reaction in my life.

Hon. Mr. Sullivan: It was like being in the army?

Hon. Mr. Connolly (Ottawa West): I never had the experience of an army vaccination, but on that occasion I had a swelling on my arm the size of an egg for about ten days. I was glad that it was in the summer, and it did not have to be covered up. The sun looked after it.

It is important that medical people do this in Canada. It is important too that there should be uniform standards of practice in countries adjacent to Canada. I hope that the subjects will be discussed in an appropriate committee.

Hon. Mr. Sullivan: Would Senator Connolly please repeat the first part of his question? I did not hear it.

Hon. Mr. Connolly (Ottawa West): The question was asked of the sponsor of the bill, and it is a matter that he can deal with in committee.

Hon. Arthur W. Roebuck: I should like to ask a question of the honourable Senator Sullivan. I listened to his speech as carefully as I could, not knowing the meaning of all the medical terms that were used, but in a general way I gathered that he criticized the promiscuous use of vaccination, and suggested that more care should be used in connection with it. I fancy we would all agree with that statement, but I wondered whether, in view of the fact that we have not had a case of smallpox in Canada for a long time and there

are very few cases now in England, the time has come when a traveller leaving Canada might very well be allowed to use his own good judgment in the matter of vaccination.

I have travelled to England on a number of occasions. If I have not been vaccinated within three years of the time of departure it is necessary to receive another vaccination. I was thoroughly sick in England as a result of one vaccination I received. It occurs to me that, even conceding everything that is claimed with regard to the usage and virtue of vaccination, the time has come now to rely on good health, rather than making a great many people sick when it is perhaps unnecessary. Are we not approaching the time when we could travel between here and England or France, or some other countries, without this indiscriminate requirement that everyone be vaccinated whether he wants it or not?

Hon. Mr. Sullivan: Senator Roebuck, that is a very good question. To illustrate the situation, the population as a whole has become thoroughly immunized against smallpox. For years people have been vaccinated against smallpox. If we were to stop this process now, as you suggest, and not vaccinate for any of these diseases but depend on good health—another term I do not know how to define, because so many people abuse what health they have—in 10 or 12 years another strain of this particular organism might be developed which would be much more potent and serious than the ones we have overcome. It is the same principle as in the continuous use of antibiotics for conditions that do not require them. Individuals develop an immunity to that particular antibiotic, and when they need it for a serious illness such as meningitis or pneumonia it does not have the desired result. We have not yet reached the stage of scientific knowledge where we can safely stop vaccination.

Hon. Mr. Roebuck: Will we ever arrive at that position?

Hon. Mr. Sullivan: I think so, definitely. I feel that we are on the way now. This is a precaution on the part of the authorities who have to check on immigrants coming in from certain countries that are not as particular about this as we are. I think that is the reason, sir.

Hon. Mr. Roebuck: Could you not have them vaccinated? That is another matter.

Hon. Mr. Sullivan: And leave the others alone?

[Hon. Mr. Roebuck.]

Hon. Mr. Roebuck: When we Canadians travel abroad it seems to be an imposition that we have to be vaccinated before we can re-enter our own country.

Hon. Mr. Sullivan: Every three years.

Hon. Mr. Roebuck: Every three years, yes.

Hon. Mr. Sullivan: It is a debatable point, Senator Roebuck. Leading authorities in this particular field have not yet made up their minds on it. It is again as I quoted Dr. Brown.

Hon. Mr. Roebuck: I am very pleased indeed with what the honourable senator has told us with regard to vaccination and the progress we are making and may hope to make in regard to it. Consider a person of advanced age and think of his having been vaccinated every three years for 50 or 60 years. The risks he is taking in undergoing vaccination may be very much greater than the risks he might take simply by maintaining his health.

There is another point in the honourable senator's address to which I take exception in a technical way. That is his definition of science. I have always thought that science is the accumulation of knowledge and its orderly arrangement. That is all. A definition as long as the one the honourable senator gave us, which I have not before me and therefore cannot analyse in detail, is rather misleading. Science is merely the knowledge of some particular subject properly organized. It is not the subject itself; it is the knowledge of the subject when organized that is the science of the subject.

Hon. Donald Smith: Honourable senators, I rise to respond to the question Senator Connolly directed to me. His first guess was right. I cannot answer that question, as it is too legal in nature. Perhaps I should also say before the debate is ended—

The Hon. the Speaker: I might at this point inform the honourable senator that if he wishes to make a speech now it will have the effect of closing the debate.

Hon. Mr. Smith: I was going to speak for two minutes out of order, Your Honour. I am very glad that you checked me. I made a note of what our friend Senator Sullivan said about what was contained in my remarks on page 189, in the third paragraph down in the right-hand column, with regard to the regulation-making provisions of this act. I do not have the old act before me now to check, but

it was my definite understanding that this new act spells out in the legislation the powers which previously had been, for the most part, given to the people who enforce this act and who operate it, in the form of regulations. Therefore, by spelling it out it satisfied what I believe has come to be a common criticism of the Department of Justice and perhaps other Government departments involved. In that respect it was an improvement. As a former member of the dental profession I might also say that I, of course, defer to Senator Sullivan as one with knowledge in very many fields. Much of our legislation would not be explained in Parliament and would not, of course, be administered if we required those who have specialized knowledge in the medical profession to explain the legislation or put it into effect. It is quite a number of years since a member of the medical profession has been Minister of National Health and Welfare in this country. This fact applies to most of the provinces. He also raised some interesting points which our response made evident were of interest to us all. These are all points that can easily be discussed when the bill is brought before the committee. I think the honourable senator will agree with me, as perhaps all of us will agree, that we are very fortunate in this country, both at the federal level and at the provincial level, in the type of people who are available these days to take positions in the public service. I have more particular knowledge of those who serve in the Department of National Health and Welfare in this country than in others. They do not take second place to anybody in this country in their knowledge of and dedication to the job which they are called upon to carry out. I think that will be exemplified to a very high degree indeed when this bill is referred to the Standing Senate Committee on Health, Welfare and Science, which I understand is the appropriate committee. If the bill is given second reading I will make such a motion.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Donald Smith moved that the bill be referred to the Standing Senate Committee on Health, Welfare and Science.

Hon. Mr. Martin: Honourable senators, I should point out that it is Senator Lamontagne's intention that this committee meet tomorrow afternoon at 3 o'clock.

Motion agreed to.

CUSTOMS TARIFF AND EXCISE TAX ACT

BILL TO AMEND—SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill C-140, to amend the Customs Tariff and to make a consequential amendment to the Excise Tax Act.

He said: Honourable senators, this bill implements the final tariff rates agreed to in the Kennedy Tariff Round, and also provides for a number of other tariff changes, in the main based on recommendations by the Tariff Board. There are in addition certain items dealing with procedures.

Before explaining the purposes of the bill, I should like to direct honourable senators' attention to the fact that there was distributed earlier today in the Senate a statement showing the present rates of duty in force in relation to goods or tariff items that are the subject matter of this bill. There is also set out in the statement on a comparative basis the rates proposed under this bill so that a comparison can readily be made between existing rates and the proposed rates. In the other place this type of material, not having been printed in the bill itself, was on motion included in the *Votes and Proceedings* of the day. I should like to make a similar motion today, with leave of the Senate, that this statement be printed as part of the *Minutes of Proceedings* of the Senate this day, so that honourable senators will have this readily available for comparative purposes.

The Hon. the Speaker: Honourable senators, is it agreed that this document be appended to our *Minutes of Proceedings*?

Hon. Senators: Agreed.

Hon. Mr. Hayden: Honourable senators, I should first like to refer to clauses 5, 6 and 7 of the bill. These three clauses implement reports made by the Tariff Board, and the schedules referable to the tariff items affected by these reports are found in Schedules A, B and C of this bill.

I should comment that I am one of those old-fashioned persons who may sound somewhat strange saying "skedule," in which I have persisted notwithstanding the pressure I have been subjected to from time to time to say "shedule." Somehow or other the hard sound comes out.

Hon. Mr. Martin: It is your Ottawa Valley birth.

Hon. Mr. Hayden: It must be. It is a burden that I find easy to carry, and which one car-

ries much easier than some of the inflections that proceed from other areas of Canada.

Schedule A implements the report of the Tariff Board on machinery, apparatus, printing plates and related products for the printing and allied industries. This reference, No. 133, was tabled in the other place on December 21, 1966, and it extends the duty-free entry for typecasting and typesetting equipment. I should refer honourable senators to the major recommendations of the Tariff Board on this reference. They are the following:

(1) Removal of the 10 per cent Most-Favoured-Nation tariff on large printing presses; new tariff item 41201-1. This reduction was for the most part implemented by order in council on July 1, 1968, to give effect to our Kennedy Round undertaking in respect of printing presses.

(2) Removal of the duty on a wide range of typecasting and typesetting equipment; tariff item 41215-1.

(3) Expansion of the duty-free item covering machinery and apparatus used by commercial printers and paper converters; tariff item 41205-1.

(4) Consolidation and simplification of the numerous tariff items covering printing plates; tariff items 41230-1 to 41245-1.

(5) A new tariff item for press blankets or blanketing; tariff item 53417-1.

(6) A new tariff item for equipment used in the production of manifold business forms; tariff item 41210-1.

Some of these Tariff Board recommendations called for increases in the rates of duty which were bound against increase under GATT; this necessitated some re-negotiation in order to free or reduce the rates on these items, and this has been completed.

Honourable senators may want to know to what extent the tariff items contained in Schedule A depart from, or the extent to which they support, the recommendation of the Tariff Board. The departures are few, and are these:

(1) Retention of the present rates of free British Preference and 5 per cent Most-Favoured-Nation on press blankets or blanketing of a class or kind not made in Canada; tariff item 53415-1. The Board recommended rates of 10 per cent British Preference and 15 per cent Most-Favoured-Nation for all press blankets. In the new schedule these rates will be applied only to blankets or blanketing of a class or kind made in Canada; tariff item 53417-1.

(2) Rewording of the proposed new item 41210-1 for business forms production equipment. The wording recommended by the Tariff Board for this item was broader than the range of such equipment which is made in Canada.

(3) Provision for the free duty entry of anti-offset spraying equipment; tariff item 41205-1.

(4) A less restrictive end-use provision than recommended by the Tariff Board for item 34615-1, which will provide for continued duty-free entry of zinc sheets to be prepared for use in photo-engraving.

(5) An amendment to the end-use provision of tariff item 42605-1, which was not included in the Tariff Board reference, to bring the item in line with item 41205-1.

Those are all the comments I have to make in connection with the first Tariff Board reference, which is implemented to the extent I have indicated. I have also indicated the departures from the recommendations of the Tariff Board.

Clause 6 deals with a new set of rates, replacing certain existing rates. These new rates are set out in Schedule B to the bill. This schedule implements the Tariff Board recommendation on reference 138. This reference had to do with precision instruments and apparatus, such as engineering, surveying, prospecting, drafting and metal working. There are some rate reductions, but mainly the language in the tariff items has been considerably modernized.

Clause 7 of the bill also implements the recommendations of the Tariff Board on a reference to it and that reference was No. 134. It dealt with the free entry of certain goods for religious, educational, scientific, literary or artistic purposes, as well as institutions and groups or for the benefit of afflicted or handicapped persons.

The new schedule also broadens existing duty-free privileges for goods used by such institutions, persons and hospitals.

You may find some confusion when reading the schedules. I remember that when we amended the Customs Tariff a year ago a question was asked in order to clarify a similar situation. Where the words "said act" appear in the bill they refer to the Customs Tariff Act, and "this act" refers to Bill C-140. Therefore, while you have Schedules A, B and C to this Bill C-140, these schedules are

incorporated and replace certain items which presently occur in Schedule A of the Customs Tariff Act. If you detect a little bit of glee in what I am going to say I will give you the explanation in a moment.

Clauses 1 and 2 of the bill are concerned with parliamentary procedure to ensure that the approval of Parliament is obtained within a reasonable time after an order in council is made under certain paragraphs that are referred to in these clauses. As the statute presently reads, it is required that the order in council be approved by Parliament within 180 days after the date of the order. It finally occurred to the Government that Parliament might not be sitting when the 180 days expired, with the result that that particular order in council would fall flat on its face. Accordingly, clauses 1 and 2 were proposed to deal with the situation of Parliament not sitting at that time. The order must be presented to and a resolution passed by both Houses of Parliament not later than the fifteenth day after the date on which Parliament commences its particular sittings.

The glee or gloating, or whatever you wish to call it, has to do with this. These orders in council to which I have referred may be passed under the Customs Tariff where the Governor in Council has the authority to make reductions in tariffs in relation to countries which have done compensating things tariffwise. It also deals with section 273 of the Customs Act, where powers are given to the Governor in Council to deal with certain subject matters either by way of raising or lowering rates of duty.

When I read this, there came to mind the Hazardous Products bill which we dealt with approximately a year ago. That bill gave power to the Governor in Council by order to add hazardous products to the list of such products which were identified in the schedule to that bill. When the Senate purported to provide that this order in council must, within a period of two years, be presented to both Houses of Parliament for approval or it would fail and cease to have any effect at that time, we were told that this procedure would interfere with and clutter up the processes and procedures of Parliament, and therefore it was not acceptable. We finally bowed and accepted an amendment that fell somewhere between these extremes.

I suggest that an order in council under the Hazardous Products Act, adding another product to that list, is not any greater in its importance to the country than orders in council which reduce or include tariff rates and schedules to our Customs Tariff. They are not likely to be more numerous under a hazardous products bill than they are under the Customs Tariff or the Customs Act. If this provision is acceptable—and it must be fully acceptable because the Government has included it in the amendments which come forward at this time—therefore we must assume that such procedures are readily workable and will not interfere or clutter up the processes of Parliament. I would suggest that the next time we are permitted to have a look at the Hazardous Products Act and other legislation of that nature, we use this as a model in order to get back to the old idea that at some stage when the Governor in Council moves by order in council there should be ratification or approval by Parliament. The penalty for not doing this would be that the order would cease to have any force and effect after that date.

Hon. Mr. Martin: It should not be hazardous to do that.

Hon. Mr. Hayden: Under the circumstances, as my friend has well noted, that course in itself would not be creating a hazardous situation.

Clauses 3 and 11 of the bill are technical changes arising out of the fact that as of January 1, 1969, we established what was called an Anti-Dumping Act. Under our old dumping tax provisions, if there was a violation of the dumping provisions then one was subject to special rates of tax. The dumping duties, as such, disappear and there is rather an anti-dumping provision. The elements that were necessary to establish dumping under the old law are not sufficient to bring into force anti-dumping duties under the new law. Actually, injury or damage to Canadian industry must be established.

Clause 3 provides authority for payment of drawback. It deals with the drawback provisions. Since there are no longer dumping duties or special duties these words become meaningless. Under clause 3 it is proposed that subsection (1) of section 11 of the Customs Tariff Act be repealed and the following substituted therefore:

> On the materials set forth in Schedule B, when used for consumption in Canada for the purpose specified in that Schedule, there may be paid out of the Consolidated Revenue Fund the several rates of drawback of Customs duties, other than any special duty or surtax,...

This is a technical clarification of a situation by reason of a change in the legislation as the result of which dumping duties as such no longer exist. Clause 11 is consequential upon the changes in clause 3, which is the authorizing section, and it simply strikes out a certain heading in the Customs Tariff Schedule B which is no longer necessary. You will see that it strikes out the expression "not including Special Duty or Dumping Duty" from the heading under Schedule B of the act, which deals with drawback. That is just a casual explanation in passing.

Clause 4 deals with this situation. As you will recall, when we were dealing with the Kennedy Round tariff changes there was a whole list of these tariff items that were to be implemented. There was a whole list of these tariff items that were to be implemented in stages. The final stage would be January 1, 1972.

The Government, as a result of its full study of this situation, finally decided that it would fully implement the tariff changes brought about by the agreement on the Kennedy Round of tariff negotiations at one time, and it would implement them fully on and after June 4, 1969. In the budget announcements of June 3, 1969, these statements were made, that is, that the Kennedy Round of tariff negotiations were being fully implemented as of June 4, 1969.

We are getting now to the stage legislatively where we are considering legislation fully implementing such determination. Clause 4 of the bill provides for striking out the references in customs tariff items to "on and after January 1, 1970, on and after January 1, 1971, and on and after January 1, 1972"; and provides for the full implementation on and after June 4, 1969.

It is suggested that it is particularly appropriate to this at a time of inflationary spiral, that it may lead to a reduction in prices because of the reductions in tariff on imported goods. On the other hand, it may be that the people hurt would be producers of goods which might be competitive with the imported goods in Canada.

This may all sound very well, but the difficulty is that the inflationary spiral has been continuing. My own feeling is that the most to expect from this full implementation at this time, or as and from June 4, 1969, is that, if the tariff items remained higher for the additional time, there might necessarily be further increases in price. I am sure that in the interval since June 4, 1969, it may well be that costs have gone up and that such costs may come close to amounting to the difference between the tariff rate now proposed and the higher rate which may have existed prior to June 4, 1969. This, of course, overlooks the other point of view, that this change to the full implementation in connection with the higher pricing we have in Canada at this time, may have the effect of increasing and making more severe the competition with the imported product.

Honourable senators, I should direct you to something else, though you can certainly get the information in committee. You will recall that when this program was announced it was indicated that the Government was setting up what was called a General Adjustment Assistance Board. That was set up by Order in Council, P.C. 1968-651.

This board was intended to function in cases where local or Canadian manufacturers could make out a case for injury or damage by reason of the immediate implementation of the Kennedy Round. I have a report on this. I do not intend to inflict the full report on you, because you will recall generally what the purpose was. There was a program under the General Adjustment Assistance Board, which was established to assist manufacturers throughout Canada to adapt successfully to changes in the new world trading environment brought about by the Kennedy Round of tariff agrements.

It is significant that provisions were made for giving loans in proper cases, and financial grants and Government insurance, in some cases, for a major portion of the risk which might be necessarily inherent in the change, and the full implementation of the tariff changes.

It is significant that the initial reaction, as reported, to the introduction of the program resulted in more than 500 written inquiries and 21 firm requests for assistance. As of today the board has authorized insurance of $6,178 million for loans aggregating $7,015,000 dollars and has also authorized $73,875 in consulting assistance grants for studies totalling $189,750.

Including the authorized applications, the board has considered the eligibility of 30 proposals, involving loan insurance of $85 million on restructuring programs which have projected costs of some $304 million. Three of these were ruled ineligible. In addition, one application for insurance was declined.

I only recite this to illustrate what it was anticipated might happen—that is, that there might be some damage or injury to Canadian industry—and what was devised at the time to take care of it and how it was proceeding. I do not pretend to analyze those results, as it seems to me that this is more a matter to be obtained from departmental officers in committee.

Honourable senators, clause 8 of the bill deals with miscellaneous tariff items set out in Schedule D to the bill. Changes have been made in the items which are dealt with in Schedule D, as against what appears in Schedule A. You simply read the statement that you have, and read across the page and you will be able to make your own comparison.

Let us come to perhaps a more pleasant item, which is contained in Schedules E and F. This deals with Canadian residents returning from abroad and what they may bring with them.

I had thought of many ways of referring to this. I have a summary formula which I think is of value to put on record. It provides that under the existing rules, as and from June 4, 1969, the following is the situation:

1. Free entry once every four months for goods to the value of $25 if brought back by a traveller after an absence of 48 hours.

2. Free entry for goods up to the value of $75 brought back by Canadian residents from a point beyond the continental limits of North America after an absence of at least 14 days.

If this $75 item is used, no further claim may be made under either rule for 12 months—that is, under the $25 every four months or under the $75 in a year.

The $75 and the $25 at the present time may be combined as a single trip, and then they would have the effect of giving $100 exemption. Of course, full duty and taxes are collected on non-exempt items. While there is no formal exemption at the present time from payment of duty and taxes on small amounts brought in, there seems to be a rule of thumb that there is no pressure to insist in cases where the value may be not more than $5.

As to the date from which these changes are effective, this may be a little bit of the carrot. These changes are effective January 1, 1970: first, free entry once every calendar quarter for goods worth not more than $25 if brought back by the traveller after an absence of not more than 48 hours; second, during each calendar year goods up to a value of $100 may be brought back by Canadian residents from any country after an absence of at least 12 days. The use of the annual exemption, that is, the $100, is completely independent of the quarterly exemptions. But the quarterly exemptions and the $100 exemption may not be combined in a single trip to amount to $125. In other words, you may make a trip and be away 12 days and in that case you can bring back duty-free goods to a value of $100. You may on the quarterly occasions during the year make trips of at least 48 hours and bring back $25 worth of goods duty-free on each occasion.

Now, the combined 25 per cent rate of duty and taxes on goods valued up to $100 imported by Canadian residents after an absence of 48 hours on goods not otherwise exempt is the third change. This is another item where, to the extent of $100, you may bring back into Canada after an absence of at least 48 hours goods valued up to $100 by paying 25 per cent tax regardless of what the actual duty may be on those goods. Of course, duty-free goods, alcohol and tobacco, are excepted.

Regardless of the number of border crossings, a flat $5 exemption is granted under Schedule F where the total value of all goods brought back by Canadian residents after a 48-hour absence does not exceed this amount. In other words, you can use the $5 if you are not going to make a claim for the larger amounts of either $25 or $100.

Again, alcohol and tobacco are excepted, although, as you will see in reading Schedule F, there are occasions where the $100 exemption is provided; and that may include up to 40 ounces of alcohol, which I think should be enough to see you across the border.

Hon. Mr. Smith: It is better than aftershave lotion.

Hon. Mr. Hayden: You may bring tobacco not exceeding 50 cigars, 200 cigarettes and two pounds of manufactured tobacco where the whole value is not more than $25. I am sure the articles just enumerated would take up the entire $25.

There are several clauses in the bill which are quite uninteresting and unimportant, such as clause 13 which refers to section 32 of the Excise Tax Act. This simply provides that the sales tax exemption granted under section 32 of the Excise Tax Act is not enlarged by reason of the fact that the tariff items enumerated in section 32 of the Excise Tax Act are broadened or have different rates of duty for tariff purposes under the schedules which are contained in this bill.

We come now to the coming-into-force aspect of the bill. Clauses 4 to 9 of the bill were deemed to have come into force on June 4, 1969. Clause 10 of the bill, which provides for taking in Schedule F to which I have referred, comes into force on January 1, 1970.

In substance, these are the provisions. There could have been more detail, but it seemed to me that perhaps there has been too much detail in the past. I thought I should emphasize certain points to give you some kind of continuity as against our earlier dealings with the Kennedy Tariff Rounds and the earlier customs bill.

I think any other matters could be more properly developed in committee, and, at the proper stage, I intend to move that the bill go to the Standing Senate Committee on Banking, Trade and Commerce, which will be sitting tomorrow morning.

Hon. John M. Macdonald: Honourable senators, I know we are all very grateful to the sponsor of the bill for his clear and detailed explanation of the effects of the various clauses. Indeed, after he has dealt with them there is left very little to be said, because all the questions we might have asked have been anticipated and answered.

However, it is usually somewhat interesting to reflect on the reasons for making changes in the Customs Tariff. Especially is this so in this day and age when debates on tariff changes tend to be practical and, indeed, often dull and sometimes tedious. This was not always so. I suppose most of us, or at least some of us, can remember the days when changes in the tariff produced vigorous and prolonged debate. There were great discussions between those who advocated a system of protective tariff and those who advocated a system of free trade. Both sides used to present strong and compelling arguments to support their cause, and those debates were interesting to listen to. However, those days are long since gone. Today, changes in the Customs Tariff are a very practical and business-like arrangement, usually the result of some hard bargaining with other countries. Certainly, there is no longer any danger of tariff changes provoking an emotional or strong reaction from the people at large.

In the past, too, various reasons would be advanced for giving an industry the protection afforded by a tariff. I suppose the most valid reason, apart from reasons of defence purposes, was to allow Canadian manufacturers to produce goods in competition with similar goods produced in a foreign country. The theory was that Canadian manufacturers needed this tariff protection to enable them to sell their goods in the domestic market until they could get well established. Also, in theory, this tariff protection would or could be withdrawn once they were well established. However, I think it is apparent the Customs Tariff has been used over the years as an instrument of national policy in order to encourage the establishment and growth of various industries in Canada which it was felt the country should have even though it would cost the Canadian consumer more for their products.

I suppose one might ask what the reasons are for the changes being made in the Customs Tariff by this bill. As the sponsor mentioned, certain changes are being made as a result of studies by the Tariff Board, and this is usually the reason why tariffs are changed. However, in this bill there are certain reductions now which normally would not have been made until 1970, 1971 and 1972, under the Kennedy Round agreements. I know honourable senators are well aware that the so-called Kennedy Round tariff reductions were the result of prolonged and difficult negotiations among many countries. So far as Canada was concerned, various reductions were to be made on a staggered timetable in order, I presume, to cause as little dislocation of business as possible. I think it is obvious that the reductions agreed upon were motivated by the old-fashioned desire to increase trade among the nations and to give our exporters a better entry into foreign markets and, at the same time, to give Canadian consumers the benefit of lower prices through foreign competition, if such competition was fair and equitable.

Now, honourable senators, we see in this case there was another and a new motive for the acceleration of the Kennedy Round reductions. The bringing into effect of these reductions now instead of later, as originally agreed upon, was part of the Government's anti-inflation programs. It was a unilateral arrangement by Canada and not the result of a bargain whereby Canada obtained a trading advantage in return from any other countries. It was done because the Government believed there was a need to increase the element of price competition and efficiency in the domestic economy. In other words, the Government must have felt that Canadian manufacturers were not competing one against the other so

far as prices were concerned, or that they were not efficient enough in their manufacturing operations to do so. So I think it is fair to assume that the Government concluded that a useful and effective way of intensifying competition would be to put into effect last June all the tariff reductions of the Kennedy Round Agreements. So far as I know, it was the first time in Canada that the Customs Tariff was used as an anti-inflation measure, and it will be interesting to learn just how effective it was, if it was effective. Did it reduce prices to the consumer? Did it reduce prices to the producer which he in turn passed on to the consumer or which he kept for himself? I may say in passing that I thought the sponsor of the bill went over that portion of his statement very quietly, very smoothly and very easily.

Was it an effective weapon against inflation or has the Government come to the conclusion that the type of inflation in Canada is not the result of a lack of effective competition or a lack of efficiency, though these may be contributing factors?

Honourable senators, any examination of the various tariff items contained in the schedule to this bill could be done much better in committee than here. One thing about them caught my interest and that is the number of items which still have a large duty under the general tariff. I expect we have agreements with most countries so that they would come under the Most-Favoured-Nation tariff, and I wonder how many countries with whom we trade would the general tariff apply.

In regard to clauses 1 and 2, which are to clarify the parliamentary procedure relating to these orders-in-council, I suppose there is no objection to them. Someone must have felt they were necessary or at least desirable. It is rather hard to imagine that 180 days could elapse without Parliament being in session to approve of such orders, but perhaps it is anticipated by someone that there will be shorter and fewer sessions in the future.

Hon. Mr. Hayden: Three cheers for that.

Hon. Mr. Macdonald (Cape Breton): I agree. I notice that in the present act the expression "Parliament" is used whereas in the amendment the expression is "both Houses of Parliament". I do not know if there is any particular significance to be attached to this change.

Honourable senators, I am sure there is no objection to sending this bill to committee. However, I would point out that in my view there is some danger in sending any matter to a committee for consideration the day after it has been introduced here in this chamber. To do so deprives many people of the opportunity of being heard by the committee, in the event that they wish to come before it to make representations.

Hon. Arthur W. Roebuck: Honourable senators, I have a question. The Kennedy Round was devised, I think, for reducing the obstructions to international trade. We looked to it to reduce the obstructions between ourselves and the United States. I would like to know whether the sponsor of the bill can give us any idea of the amount of reduction, that is the actual amount in practice, which has resulted from the changes which he has so well described. Are there any figures available in connection with this which might be estimates, that would give us some idea as to what it has amounted to in a general way?

My friend Senator Macdonald has said that the old discussions on tariffs that were so intensely voiced in the past are gone by the board. Well, I for one am sorry for that. The discussions that took place half a century ago were vital, highly intellectual and dealt with principles of trade that seem to have been lost sight of in these modern times. It may be that we have had so many counter-irritants that we have forgotten about tariffs, but the fact still remains that the increases in prices as a result of tariff arrangements hamper our foreign trade, make living in Canada more difficult, increase the cost of living, and at the same time offer special favours to certain people. I wish we could have a very good argument some time on free trade and let the protectionists state their views and let the free traders have their say. I think it would be a fine thing to have such an argument again as we used to have 25, 30, 40 or 50 years ago.

Hon Mr. Hayden: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform the Senate that if the honourable Senator Hayden speaks now it will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, let me at the outset reply to my friend Senator Macdonald as to the length of time between the reference of this bill to committee and its actual consideration in committee. I have two remarks to make in that regard; the first is that the items which are in the bill were fully dealt with by the Minister in the budget

speech delivered on June 3 and almost entirely incorporated in a bill presented to the House of Commons at that time. Somehow or other it did not go through the full course of Parliament at that time.

Secondly, I should say that the changes as between that bill and the present bill are relatively few and, in fact, are minor changes of a technical or language nature. This bill was first introduced in the Commons on October 24, came up for second reading on November 24 and was subsequently dealt with. Therefore the interested public have had quite an opportunity to become aware of what it is proposed in Bill C-140. Furthermore, there was the establishment in 1968 of the General Adjustment Assistance Board. Its functioning certainly came to the attention of all those who are likely to be affected by the full implementation of the Kennedy Round, because the board was established in 1968 and has been functioning since and has many applications before it. Therefore, there has been a sort of general distribution or dissipation of knowledge.

Hon. Mr. Roebuck: But has there been any forum through which the members of the public could express their opinions on this matter—other than the press who have been too busy with many other things?

Hon. Mr. Hayden: I was going to add my second point, and had I had the opportunity my friend's interjection might not have been as necessary.

If the bill goes before committee—and I am not urging that it should but am going to move that it does—then it is up to the committee to decide when it actually considers it, unless the Senate itself gives direction as to a specific date and time. Then it is open to any member of the committee or any senator to attend the meeting at any time and state that he thinks there are various elements to be considered and ask that the hearing not be completed so as to inquire as to any further representations to be made. There has been no indication in all this time, excepting for the complaints to which I have referred or the inquiries which were addressed to this General Adjustment Assistance Board and requests for loans and grants by reason of the fear they were going to be hurt. In order to reach that stage I think you must assume there was a general distribution of information. If the committee feels or any senator makes a case supporting the fact there has not been a broad enough dissemination, the committee is not going to be a hard taskmaster to force something through that should have further consideration.

Dealing with the other question of my friend Senator Roebuck, time may come and time may go, but in season and out of season, over all the years I have known him, and even as I read about him before I got to know him personally, he has always been a free trader.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Hayden: When I attended his ninetieth birthday celebration he invited everyone to forget about it for ten years but to be sure to attend, if they were still alive, on his one hundredth birthday. He had no doubt that he would be there, and it was merely a question of who else was going to be alive to be there. It may be the way things are going now that this free trade cycle will continue and be completed by the time we join Senator Roebuck on his one hundredth anniversary—and I am counting myself in on that one—and by that time it would be the crowning glory if we could say that, after one hundred years, he has really achieved the ambition of a lifetime.

Hon. Mr. Roebuck: But you did not give me those general figures.

Hon. Mr. Hayden: No. I have the figures by individual items as to the imports, but they would not give you much information. They are in total dollars, and rather than give them to you—in which case you would have to do the arithmetic and look up the tariff to see what the rates were which may have been applied before the changes—I am sure this is an area concerning which we can get the information much more expeditiously from the departmental officials.

Hon. Mr. Roebuck: Oh, yes.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

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

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—ORDER STANDS

On the Order:

Resuming the debate on the inquiry of the Honourable Senator McDonald, calling the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO Bases in Europe.—(*Honourable Senator Grosart*).

Hon. Allister Grosart: Honourable senators, I move, under Rule 46(c), the postponement of this item to a later date, in view of the fact that there is an important function, soon to take place, which a number of senators will be attending.

Hon. Mr. Martin: Do I take it that Senator Grosart would be prepared to proceed on Thursday?

Hon. Mr. Grosart: I will be prepared to go on in the normal order, at any time—and I emphasize the words "normal order."

Order stands.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Leopold Langlois: Honourable senators, with leave of the Senate, notwithstanding Rule 45, I move, that when the Senate adjourns today it do stand adjourned until Thursday next, December 4, at 2 o'clock.

Before this motion is put I wish to say that it is intended to reserve tomorrow for committee work as the following committees are scheduled to sit: the Standing Senate Committee on Banking, Trade and Commerce, in both the morning and the afternoon, and the Standing Senate Committee on Health, Welfare and Science.

Hon. Mr. Flynn: May I ask the Acting Leader whether it is the intention to establish the practice of sitting at 2 o'clock each Thursday afternoon?

Hon. Mr. Martin: No, not necessarily; it depends on the workload.

Hon. Mr. Flynn: It depends on the work load, but I think it is useful for senators to know exactly what the habits are going to be.

Hon. Mr. Langlois: Last week we had to make an exception because we had Royal Assent at 5.45 p.m.

Hon. Mr. Flynn: You said it was an exception?

Hon. Mr. Langlois: Yes, but there could be some other exceptions too.

Hon. Mr. Flynn: Three o'clock was the exception.

Motion agreed to.

The Senate adjourned until Thursday, December 4, at 2 p.m.

THE SENATE

Thursday, December 4, 1969

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Agenda for the December Constitutional Conference.

Report of work performed and expenditures made as of December 31, 1968, together with estimated expenditures for 1969, under authority of chapter 3, Statutes of Canada, 1968-69, respectively the construction and completion, by the Canadian National Railway Company, of a line of railway from near mile 17 of the Windfall Extension to the Sangudo Subdivision in a westerly direction approximately 51 miles to Bigstone in the Province of Alberta, with a connecting line approximately 9 miles in length from a point near mile 38 of the said 51 mile line, pursuant to section 8 of the said Act.

Report of work performed and expenditures made as of December 31, 1968, together with estimated expenditures for 1969, under authority of chapter 35, Statutes of Canada, 1966-67, respecting the construction, by the Canadian National Railway Company, of a line of railway from the vicinity of Watrous in a northeasterly direction to a point in the vicinity of Guernsey, in the Province of Saskatchewan, pursuant to section 9 of the said Act.

Report of work performed and expenditures made as of December 31, 1968, together with estimated expenditures for 1969, under authority of chapter 35, Statutes of Canada, 1966-67, respecting the construction, by the Canadian National Railway Company, of a line of railway from the vicinity of Stall Lake in a northeasterly direction to a point in the vicinity of Osborne Lake in The Pas Mining District in the Province of Manitoba, pursuant to section 9 of the said Act.

Report of work performed and expenditures made as of December 31, 1968, together with estimated expenditures for 1969, under authority of chapter 15, Statutes of Canada, 1966-67, respecting the construction, by the Canadian National Railway Company, of a line of railway from the vicinity of Amesdale on the Redditt Subdivision in a northwesterly direction to a point near Iron Bay on the westerly shore of Bruce Lake, District of Kenora, Province of Ontario, a distance of approximately 68 miles, pursuant to section 8 of the said Act.

Report of work performed and expenditures made as of December 31, 1968, together with estimated expenditures for 1969, under authority of chapter 56, Statutes of Canada, 1960-61, respecting the construction, by the Canadian National Railway Company, of a line of railway from a point near Grimshaw, in the Province of Alberta, in a northerly direction to Great Slave Lake in the Northwest Territories, pursuant to section 9 of the said Act.

Report of Proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1969, pursuant to section 9 of the said Act, chapter 269, R.S.C., 1952.

Report on the Operation of the Regional Development Incentives Act for the period October 21 to November 30, 1969, pursuant to section 16 of the said Act, chapter 56, Statutes of Canada, 1968-69.

Government of Canada Working Paper on the Constitution, entitled "Income Security and Social Services", prepared for the December Constitutional Conference.

He said: Honourable senators, with respect to the agenda for the December Constitutional Conference, a briefing session for members of both Houses of Parliament will be held in the Railway Committee Room tomorrow at 9.30 a.m.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

Hon. T. D'Arcy Leonard, Chairman of the Standing Senate Committee on National Finance, to which was referred the Supplementary Estimates (A) for the fiscal year ending March 31, 1970, presented its report.

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

Hon. Mr. Leonard moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Hon. Mr. Haig: Honourable senators, is it the intention of the chairman of that committee to make a motion that this report be printed as an appendix to today's *Hansard*?

Hon. Mr. Leonard: That motion will be made when the order is called for Notices of Motions.

Motion agreed to.

CUSTOMS TARIFF AND EXCISE TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Hartland de M. Molson, for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-140, to amend the Customs Tariff and to make a consequential amendment to the Excise Tax Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Molson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE PRINTED AS APPENDIX TO DEBATES OF THE SENATE AND MINUTES OF PROCEEDINGS

Hon. Paul Martin: Honourable senators, with leave of the Senate, I move, seconded by Senator McDonald, that the report presented today by the Standing Senate Committee on National Finance which was authorized to examine and report upon the expenditures set out in the Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1970, be printed as an Appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

Motion agreed to.

(For text of report see Appendix pp. 289-94.)

INTER-PARLIAMENTARY UNION

FIFTY-SEVENTH ANNUAL CONFERENCE HELD AT NEW DELHI, INDIA—VISIT BY DELEGATION TO CEYLON—DEBATE ADJOURNED

Hon. Chesley W. Carter rose pursuant to notice:

> That he will call the attention of the Senate to the visit to Ceylon of the delegation from Canada to the Fifty-seventh Annual Conference of the Inter-parliamentary Union.

He said: Honourable senators, in my report of the Inter-Parliamentary Union Conference which was held recently in New Delhi, India, I pointed out that these conferences are held annually in the capitals of the member countries. It has been the practice for some years for delegations from the host country and from neighbouring countries to invite the delegations from far away countries to be their guests for a few days following the conference.

In accordance with this practice, the Canadian delegation received an invitation from the Honourable S. C. Shirley Corea, President of the Ceylon group of the Inter-Parliamentary Union, to spend a few days in Ceylon as guests of the Ceylon group before returning to Canada. The Honourable S. Shirley Corea is Speaker of the House of Representatives of Ceylon and also President of the Executive Committee of the Ceylon group of the Inter-Parliamentary Union.

Three of the M.P.s in our delegation, for various reasons, were unable to accept the invitation, but the remaining eight, with Senators Langlois, Edgar Fournier and myself, went to Ceylon and had a most enjoyable and rewarding experience. Miss Jean Macpherson, our secretary, also accompanied us and again did a wonderful job in looking after the various details connected with our transportation —tickets, passports, et cetera, as well as arranging transportation to and from the various social engagements.

Here I should mention that the leader of our delegation, Mr. David Anderson, M.P., gave us excellent leadership throughout our trip. I do not think we could have had a better leader than Mr. Anderson.

We left New Delhi at 9 a.m. on Saturday, November 8, and, after a brief stop at Bombay, arrived in Ceylon at 4.10 p.m. the same day.

This long flight of 1,300 miles due south from Delhi emphasized the vastness of India

and the fact that Ceylon is separated from it by only 20 miles of water. Ceylon is about four degrees north of the equator. This latter fact was accentuated by the heat which greeted us when we emerged from our plane because, although it was the cool time of the year there, the temperature was much higher than we had experienced at Delhi.

Our first contact with Ceylon was the Colombo International Airport at Katunayake which was constructed by a Canadian firm with considerable assistance from the Canadian Government. The airport itself is a magnificant structure, well planned and well constructed, and is a monument to Canada which is greatly appreciated by the people and government of Ceylon.

Assembled at the airport to meet us, along with representatives of the Ceylon group of the Inter-Parliamentary Union, were the High Commissioner for Canada, Mr. J. Timmerman and his good wife and members of his staff. I cannot speak too highly of the High Commissioner. Along with our Ceylonese hosts, he and his wife and staff did everything possible to make our stay in Ceylon both pleasant and profitable. The High Commissioner and his wife are extremely popular. In private conversations with officials and prominent people in industry, commerce, labour and education, after we had become sufficiently acquainted, I found that without exception they had the highest praise for Mr. and Mrs. Timmerman. It was very obvious that these two Canadians are held in the highest regard and must, therefore, be doing a wonderful job in maintaining good relations between Canada and Ceylon.

Our itinerary began when we left the airport at 4.45 p.m., and from that moment until we left Ceylon from the same airport at 10.45 p.m. on the following Wednesday, every minute was accounted for.

We had a full program and a very tight schedule, but I have never seen a better organized itinerary. Much of the credit for this was due to Mr. K. T. N. deSilva who as assistant to the clerk of the House of Representatives attended the I.P.U. Conference at Delhi as part of the delegation secretariat. Mr. DeSilva and Mr. Kingsley Karunatilleke travelled with us from Delhi to Ceylon and accompanied us continuously as we travelled around the island. No detail was too small to engage their attention, and they contributed immensely towards insuring our comfort and convenience as well as enabling us to get the most from our visit.

[Hon. Mr. Carter.]

The drive from the international airport to our hotel in Colombo took one hour. This enabled us not only to see the great natural beauty of the island with its tall palm trees, coconut plantations and rubber plantations, but also afforded an opportunity to make comparisons with other countries that we had visited. The first thing that impressed me was that, unlike India, the houses in the villages through which we passed were not only spaced much farther apart but were generally of higher standard, and interspersed among them and along the highway were houses that from the outward appearance would compare favourably with most houses in a Canadian community of similar size.

Very rarely did we see women doing manual labour, and everyone, including the children, appeared to be well fed and fairly well dressed in accordance with the needs of the climate. Later I discovered that it is the policy of the Ceylonese Government to distribute two kilograms of rice per person each week. One kilogram is issued free by the government and the other is paid for by the recipient. No doubt this policy is in large measure responsible for the healthy, well-fed appearance of the Ceylonese people, particularly the children.

We were very comfortably accommodated at Hotel Taprobane, which is located close enough to the waterfront that by looking out of the hotel window one could get an extensive view of Colombo Harbour. Taprobane, by the way, is the name by which Ceylon was known to the ancient Greeks and Romans. Besides being the capital of Ceylon, Colombo is also its largest seaport. This was confirmed by the numerous ships tied up at the various docks discharging and taking on cargoes, as well as by the number of ships anchored in the harbour awaiting their turn to dock.

That same night at 8 o'clock we were guests at a dinner given by the Honourable S. C. Shirley Korea at the Mumtaz Mahal, the official residence of the Speaker of the House of Representatives. Among the guests, were our High Commissioner and a large number of men prominent in the public, professional and commercial life of Ceylon and their wives. This afforded us our first opportunity to get acquainted with the Ceylonese people and to get a first-hand knowledge of their problems and what they were trying to do about them. It was close to midnight by the time we got back to our hotel, and that meant a very short night because we had to be up again by 6 a.m. in order to be on time for that day's program.

On Sunday morning we left Colombo by car at 7.30 for Polonnaruwa. We arrived there at 1.30 p.m. and were put up at a picturesque, comfortable rest house on the shore of a very beautiful lake.

Polonnaruwa, 133 miles northeast of Colombo, is one of the ancient capitals of Ceylon which reached its zenith in the eleventh century. The population of Ceylon at that time was estimated at about 20 million, as compared to two million in the early part of the twentieth century and approximately 12 million today. We are prone to think of India as a vastly overpopulated country, but when the two countries are compared as to size, Ceylon, with a total area of only 25,000 square miles, has a population density nearly twice that of India.

After having lunch at the rest house, we spent the whole afternoon looking at ruins of temples, palaces and dome-shaped shrines, called dagabas, which extended for six miles in each direction from the rest house.

Polonnaruwa is by no means the oldest of the ancient cities of Ceylon. Anuradhapura was founded in the fifth century B.C. and is today venerated as a capital city of Buddhism. In the heart of this city is a sacred Bo-tree over 2,200 years old, the oldest historically documented tree in the world. It was a sapling of the original tree under which at Buddh Gaya, in north India, the Buddha himself found enlightenment. It was brought to Ceylon in the third century B.C., and has never since been without its hereditary attendants and the care of the country's rulers.

At 8:00 a.m., Monday, November 10, we left Polonnaruwa. An hour and a half later we arrived at Sigiriya, where we spent the rest of the forenoon visiting the rock fortress for which Sigiriya is noted. Sigiriya is sometimes referred to as the fortress in the sky because of the way it suddenly bursts into view, silhouetted against an infinitely blue sky as one rounds a bend in the jungle road. But it was no mere fortress. It was a city dating back to 473 A.D., and one of the loveliest ever built. It lay in a large square area, walled and moated in the west, and with a walled rectangle in the east. At the centre stood the great rock, the citadel, with the king's palace and throne at the very summit. Today it is a colossal ruin which has only recently been reclaimed from the jungle. It is also a treasure house of rare art. In a pocket in the giant rock are the famous frescoes of the ladies of Sigiriya. These are the remnants of an enormous gallery which once contained 500 portraits. The rock walls and ceiling of the cave were covered with a kind of white plaster on which the portraits were painted. This kind of plaster cannot be duplicated today. Its manufacture has become a lost art.

After lunching at the rest house in Sigiriya we left at 2 p.m., and a half-hour's drive brought us to Dambulla where we visited the rock temple. This temple is hewn out of the solid rock. Originally it was probably a cave, but it was enlarged by chipping away the walls and ceiling to form a spacious temple, and in some cases a series of temples, with massive sculptures of the Buddha in sitting or reclining positions, also carved out of the solid rock.

During our tour of these ruined cities we were very privileged to have as our guide Mr. Marcus Fernando, chief government archeologist, whose commentary, explanations, and answers to our questions made the visit much more interesting and meaningful than it otherwise would have been.

This tour of the ancient ruins impressed upon me certain important facts. The first is that the history of Ceylon is rooted deep in antiquity, as is the history of India and China and other eastern countries. The second is that centuries before the first European set foot in Ceylon, a highly developed society thrived in this area. This is abundantly emphasized by the quality of the paintings and sculptures, and of the engineering feats which were accomplished. This civilization reached its peak around the ninth or tenth century A.D. when the total population of Ceylon was about 20 million. For some reason it then declined and disappeared completely, and to this very day historians, archaeologists and other students of this phenomenon have not been able to explain adequately why it happened.

The third thing that impressed me about the ruins was the system of irrigation which supported these ancient cities. Within each city—built as they were in regions where the rains fell but once in a year and then only briefly—and throughout all its populous hinterland was constructed a unique system of man-made lakes or reservoirs, called tanks, with interconnecting channels, engineered with incredible skill so that, as one of the old kings of Polonnaruwa put it, no drop of water should pass to the sea but it had first served the needs of his people. One of these channels is 21 miles long at a point 11 miles from its

intake, and another is 54 miles long and 40 feet wide. The latter falls only six inches per mile in its first 17 miles and feeds a large number of subsidiary tanks on its way. So vital is the irrigation system that reservoirs punctuate the entire landscape in this part of the country, constituting an ancient irrigation system which still baffles modern engineering explanation.

Perhaps the most impressive thing about these old ruined cities is the evidence they bear to the ancientness and continuity of the Buddhist faith upon which they were built. Here are no cities of palaces and secular monuments, but overwhelming evidences of a faith held precious over all things. They are cities of monasteries and shrines to which even the pomp of kings yielded first place.

There is complete freedom of worship for the Hindus, Christians and Moslems who inhabit Ceylon, because the constitution guarantees freedom of worship for all. Buddhism is the religion of the majority, and it is impossible to fully appreciate the values and attitudes of the Ceylonese people without an understanding of this religion. Moreover, the Buddhist revival was associated with independence and has been closely linked to political development ever since. At the same time it is probably safe to say that Ceylon's search for identity since independence has brought Buddhist values to greater prominence than they might otherwise have enjoyed.

Buddhism is a highly individualistic system in which each person is responsible for his own enlightenment. It probably tolerates a greater variation of views than are encompassed by all Christian denominations together. This makes it difficult for a Buddhist to generalize about his faith.

The form of Buddhism practised in Ceylon is described by the term "theravada." It stresses the value of detachment and non-involvement in worldly affairs. In the Buddhist philosophy man experiences a succession of births and rebirths and spends his time finding a way of release from the world of sorrow and futility. Yet despite the stress of pain and sorrow, it holds out the hope that if one lives rightly he will find release.

In this regard the important concept under Buddhism is "karma", or cause and effect. Howard Wriggens in his book entitled *Ceylon, Dilemmas of a New Nation* describes karma in these words:

> That what I am in this life is in considerable part the result of what I have thought and done in past lives. What I am is only in part what I am given. I am also what I make of what I am given. My future is what I make of myself today.

The Buddhist monk retires from the world precisely to lead a life of disciplined search for enlightenment and release. The layman, burdened with his commitments to his family and his occupation, cannot do this to the same extent. He is therefore expected to develop for himself the kind of life which will require the utmost simplicity, a generosity that stems from his own inward mastery of greed and a consideration of others that flows from the unimportance he attaches to himself. In fact, there is a specific code of behaviour that sets forth for the layman rules for the good life and the vices he should not indulge in. The Buddhist system of values and the outlook which stems from them differ widely from most western countries. They stand out in stark contrast to those of the former rulers of Ceylon. Another significant difference which impressed me was the intensity of their worship and devotion. Unlike many Christians whose actions often deny what they profess to believe, the Buddhist is a true believer in that his beliefs carry over into his daily life and influence his relations with his fellowman.

At 7 p.m. on Monday we arrived at Kandy. There we were lodged at the Hotel Suisse, which is a beautiful tourist resort on the shores of Kandy Lake. Kandy is 72 miles from Colombo and serves as the link between ancient and relatively recent history. The latter dates back to the beginning of the sixteenth century, when Ceylon was colonized by the Portuguese. In the mid-seventeenth century the Dutch ousted the Portuguese and in 1796 the British displaced the Dutch. Kandy's connection with the past lies in the sacred tooth relic of the Buddha, which is treasured in the temple called the Belada Maligawa.

Hon. Mr. Martin: Which is the temple of the tooth, is it not?

Hon. Mr. Carter: The temple of the tooth.

Hon. Mr. Flynn: Were you there?

Hon. Mr. Martin: Many years ago, before the Opposition was even born.

Hon. Mr. Flynn: Oh, no.

Hon. Mr. Carter: Cradled in the bowl of five surrounding hills, Kandy is also the gateway to greater elevations, of over 6,000 feet

above sea level, and the famous hill resorts of Ceylon. The climate there is salubrious, the air being dry and the temperature moderate.

Towering over much of the hill country is the sacred sentinel—a mountain venerated for centuries by devotees of many faiths. To the Buddhist it is Sri Pada, for there is found the Footprint of the Buddha; to the Hindu it is the Footprint of God Siva, hence called Sivanadipathan; and to the Moslem it is the Footprint of Adam, from which it derives the name of Adam's Peak.

At 8.30 that night we were entertained at dinner, in his official residence, by Mr. W. J. Fernando, the government agent at Kandy. After dinner two films were shown on an outdoor screen, one depicting Independence Day celebrations and the other the Esala Perahera.

The Perahera is a spectacular religious pageant which is held every year between July and August in honour of the sacred tooth relic of Buddha. Participating in it are nearly a hundred richly caparisoned elephants, along with drummers, dancers and chieftains in traditional regalia. Following the films, we were treated to a performance of pure Kandyan dance art by the Kandyan Dance Ensemble-69, sponsored by the Kandyan Arts Council. The dances were done by the most talented artists of Ceylon and greatly enjoyed by all.

Tuesday morning we set out at 9.30 to visit the Temple of the Tooth. On our way we stopped at a handicraft centre where we saw artisans engaged in metalwork, basket-weaving, mat-weaving and making hand-loomed fabrics. Most of the delegation took advantage of this opportunity to purchase some souvenirs. The Temple of the Tooth has a very beautiful setting. In front of it is an artificial lake augmenting the serenity and calm of the medieval city, and beside it stands the palace of the last King of Kandy, which now houses a museum devoted to the Kandyan period of the island's history. We were conducted on the temple tour by Senator H. B. Udurawana, who is also the custodian of the Holy Tooth relic. To give a full account of this tour would take at least half an hour. I hope that one of my colleagues will fill in this gap because, due to pressure of time, I can make only passing reference to it.

From the Temple of the Tooth we drove through the Royal Botanical Gardens at Peradeniya, where I spotted a new strain of orchid which had been named "Olive Diefenbaker". From there we went to the University of Ceylon in the same city, where we were entertained at lunch by Professor E. O. E. Pereira, the Vice-Chancellor.

Hon. Mr. Martin: Will the honourable senator permit me to interrupt? Did he say something about Olive Diefenbaker?

Hon. Mr. Carter: We saw in the botanical gardens a new strain of orchid that has been developed and which has been named "Olive Diefenbaker".

Hon. Mr. Martin: The flower could not have a nicer name.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: Did the honourable senator hear of any flower being named "Paul Martin"? The Leader of the Government was there, and that fact should be perpetuated in some way.

Hon. Mr. Martin: Perhaps the honourable senator will permit me to say that I would be very happy to be associated with that delightful and charming woman in that particular garden.

Hon. Mr. Carter: I thought this fact would interest all honourable senators, so I made note of it.

Hon. Mr. Aseltine: I should like to ask the honourable senator a question. Did he meet up with any of those female mosquitoes that fed on me when I was in Ceylon, after which I spent three weeks in hospital in Madras close to death?

Hon. Mr. Carter: No, we did not meet up with any mosquitoes, male or female. We had mosquito nets provided for our beds, which we did not need to use.

At the time of our visit the university was closed because of student riots that had taken place earlier. In a brief speech at the luncheon Professor Pereira pointed out that the existence of the university, particularly the Department of Geology, was due in large measure to Canadian aid.

In the afternoon we visited the Hantane Tea Estate at Kandy, where we saw tea being gathered and processed through its various stages, and we were entertained to a delightful afternoon tea in their beautiful mountain home by Mr. and Mrs. R. C. Moraes, manager of the tea estate. The tea factory was located at a very high elevation, more than two-thirds up the slope. The purpose, I was told,

was to utilize the dry natural air in the curing of the tea, and that this advantage outweighed the cost of constructing and maintaining the long winding road. From Kandy we returned to Colombo. On our way back we were fortunate to see a number of elephants bathing and being bathed by their owners in the river, a most interesting sight. We got back to our hotel Taprobane around seven o'clock and were glad to have an evening to ourselves.

Wednesday, November 12, our last day in Ceylon, was a continuous round of social engagements. We started out by calling on His Excellency William Gopallawa, M.B.E., the Governor General, at his official residence. At twelve noon we visited the Parliament Buildings and called on Senator the Honourable A. Ratnayake, the President of the Senate, who was our host at a most enjoyable luncheon.

The parliamentary institutions of Ceylon, like those of Canada, are patterned after the Mother of Parliaments in Britain, and so far the structure inherited from the British has been retained intact. The Senate of Ceylon has 30 members, of whom 15 are elected by the House of Representatives and 15 are nominated by the Governor General on the advice of the Prime Minister. Senators are appointed for a six-year period, one-third retiring every second year. The constitution also requires that not less than two ministers, one of whom shall be the Minister of Justice, shall be members of the Senate. Because of its small numbers the Senate is handicapped in setting up committees of inquiry, as is done in Canada. Real power resides in the House of Representatives, which is elected by adult franchise and has 157 seats; of these, 151 are elected, and six are appointed by the Governor General on the advice of the Prime Minister to represent minority groups.

The present Government of Ceylon is a coalition of 86 members, of whom 73 belong to the United National Party, six are appointees of the Governor General, two are independents, and the remaining five are distributed among three parties. The United National Party is a party of the centre, pursuing national unity and a planned economy in which both public and private sectors participate.

The opposition is also a coalition, of which the three main parties have 41, 12 and 8 members respectively. Next to them comes the Moscow wing of the Communist Party with four members, four other parties with one member each and one independent.

In the afternoon we called on the Prime Minister, the Honourable Dudley Senanayake, who is the son of Ceylon's first Prime Minister. Then we went to Canada House, where we were again entertained by the High Commissioner for Canada and his wife, and from there we departed for the airport, where we arrived at 8.30 p.m. and were tendered a final farewell dinner in the Colombo International Airport restaurant by the Honourable E.L.B. Hurulle, Minister of Communications. This very enjoyable function lasted right up until 10.45 p.m., when we boarded our plane for home.

From what I have said you will see that the itinerary and schedule of our visit in Ceylon was, if anything, a bit overcrowded. Nevertheless, we did have time to form some impressions and check them with informed people in various walks of life who were in a position to give us first-hand information.

The first impression I got was one of purposeful activity and a reasonable degree of prosperity. The system of roads is very well developed and very well maintained. I have already referred to the well-fed and well-dressed appearance of the people. When Ceylon achieved independence in 1948 her agricultural industry was very poorly developed, necessitating huge food imports, especially rice, which were paid for by the exportation of tea, rubber and cocoanut products, which at that time brought fairly high prices in the world's markets. In 1965, however, the world prices of these products dropped considerably, thereby producing a serious foreign exchange crisis.

To meet this situation the Government imposed drastic restrictions on all imports, including essentials, and most of these are still in effect. In addition, the Government launched a campaign to increase domestic production of food with the hope of eliminating most food imports altogether. We saw numerous rice paddies in various stages of cultivation, and this "grow more food" campaign has been so remarkably successful that the country is approaching its target of 75 per cent self-sufficiency in rice by 1970.

In addition, the Government is attempting to diversify the economy and has already laid the groundwork for this by establishing a steel industry, a cement industry and a construction industry. The Government's development program has been assisted by substantial injections of foreign aid, but large

inflows of assistance will continue to be needed for many years to come. In addition, Ceylon with its beautiful beaches, its comfortable rest houses and its wide variation of temperatures and climate has a tremendous tourist potential which for the most part still remains to be developed.

There is also a potential for a forest industry. We were delighted to learn that a forestry consultant firm from Canada was due to arrive in Ceylon to undertake a feasibility study of a proposed logging operation which would serve to supply the needs of a new plywood mill now under construction. Ceylon, which possesses vast forest resources, now imports 20 million rupees of plywood annually to make tea chests alone. A plywood mill would, therefore, contribute a significant saving in foreign exchange. Should the recommendations in the feasibility study be approved, it could mean that a major logging operation would be implemented by Canada over a five-year period.

Honourable senators, this was the first time a Canadian parliamentary delegation had ever visited Ceylon and we were given royal treatment. The Ceylonese people are kind, warm, friendly and generous. They made us feel that they just could not do enough for us. Canada's relations with Ceylon have developed principally through our common membership in the Commonwealth, the Colombo Plan and the United Nations. There is a tremendous amount of goodwill towards Canada and the Canadian people in Ceylon arising out of the construction of the international airport and Canada's policy of "no strings attached" economic assistance. I have a feeling that our invitation to Ceylon was in some respects an outward and visible token of their appreciation of that assistance, and as a result of this visit I am certain that the ties between Canada and Ceylon are stronger than ever.

Hon. Senators: Hear, hear.

Hon. Walter M. Aseltine: I would like to correct the honourable senator when he said it was the first parliamentary delegation that had ever visited Ceylon. The honourable Speaker of the Senate and I represented a large delegation from the Parliament of Canada in 1957 when we went to New Delhi, India, for the Commonwealth Parliamentary Conference. We spent 10 days in Ceylon and visited the various places mentioned by the honourable senator. That was where we met up with these female mosquitoes I spoke of, and where I was bitten by one and spent three weeks in the hospital at Madras at death's door. I made up my mind when I got back to Canada that I would not visit Ceylon for a long time.

Hon. Mr. Carter: I should like to thank my honourable friend for that correction. I made that statement because that is what I was told when we were in Ceylon, and I had no reason to doubt its accuracy.

As for the mosquitoes, I can assure my honourable friend that they must have been obliterated in the intervening 10 years since he was there, because we were not bothered with them at all and I would be quite happy to go back to Ceylon at any time an opportunity presented itself.

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

VISITING AMERICAN ASTRONAUTS

DISTRIBUTION OF INVITATIONS TO BANQUET —QUESTION

Hon. John M. Macdonald: Honourable senators, may I ask the Leader of the Government a question.

Did the Government of Canada, or any department thereof, tender a banquet on Tuesday, December 2 last, in honour of the three American astronauts and, if so, how many invitations to such banquet were allotted to the Senate, and how were these distributed? If such banquet was not tendered by the Government, did any department of Government issue invitations for it and, if so, how many were allotted to the Senate, and how were these distributed?

I realize the Leader may not have this information. Perhaps he will take note of the question and answer it at his convenience.

Hon. Paul Martin: Honourable senators, I may not be able to give the complete answer, but I will give as much as I can and if it needs to be supplemented I will be glad to add to it next week.

I understand that the dinner for the astronauts on Tuesday night was given by the National Research Council. It was presided over by the minister who reports to Parliament for that body, the President of the Treasury Board. There were members from both houses present. I learned after the event that in the case of the other place they were selected by lot, by drawing of numbers, although I cannot give the exact numbers. As to members of the Senate, the President of

the Treasury Board, on behalf of the Research Council, invited members of the Science Committee, the Speaker of the Senate and the Leader of the Opposition.

NEWSPAPER REPORT

GOVERNMENT SUPPORT IN SENATE—PRIVILEGE

Hon. A. Hamilton McDonald: Honourable senators, before the Orders of the Day are called, I rise on a question of privilege to correct an article that appeared in the press. Perhaps I am out of order, but it does concern this assembly. I am reported as having said that there were two supporters of the Government in the Senate.

Hon. Mr. Beaubien: Only two?

Hon. Mr. McDonald: It has been incorrectly stated that there were two supporters of the Government in the Senate; we all know that there are now four.

Hon. Mr. Grosart: Who are the other three?

Hon. Mr. McDonald: My reference is to Saskatchewan.

Hon. Mr. Martin: Did I understand the honourable senator to say that there are only four Government supporters in the Senate?

Hon. Mr. McDonald: I mean from Saskatchewan.

Hon. Mr. Grosart: It may be that you were right the first time.

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—DEBATE CONTINUED

The Senate resumed from Thursday, November 20, the debate on the inquiry of Hon. Mr. McDonald, calling the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO Bases in Europe.

Hon. Allister Grosart: Honourable senators, we have heard interesting and excellent reports and comments on the Fifteenth North Atlantic Assembly meeting in Brussels in October, particularly from Senator A. H. McDonald, Senator Robichaud, Senator Welch, Senator White and Senator Grattan O'Leary.

In all of those speeches I detected some embarrassment about Canada's decision to downgrade its role in NATO. More than ambarrassment, I think I detected some foreboding for the future as a possible result of this decision, a decision which, as honourable senators will recall, has already been the subject of protest in this chamber by Senators Aird and Lang.

My own foreboding goes even further. It is based on the fact that those same voices which have been demanding the downgrading of our role in NATO are now vociferously demanding our complete withdrawal from NATO. If I read the record correctly, NATO is certainly the most successful and the most effective mutual defence and peacekeeping alliance among free nations in the history of the world.

NATO is, of course, much more than a mere defence alliance, as Senator O'Leary pointed out very eloquently in his comment in this debate. It has a political role, it has an economic role, a social role and a cultural role—and therein lies the certainty of the success of NATO in the future, whether Canada wishes to help or not.

However, it is with the defence and peacekeeping aspect of our NATO alliance that I wish to speak this afternoon. It is particularly important that this matter be discussed, in view of the timing of the announcement, an announcement which shocked many people around the world, coming as it did immediately after the third brutal rape of Czechoslovakia in history, that Canada had decided to downgrade its participation in the NATO front line.

It has already lost us a good deal of international respect—and I will have some comment to make on that later. As a matter of fact, in the world press today, over and over again there is comment about the Canadian position in respect to NATO, which is more damaging than any comment I have seen during the time I have been reading the world press. In addition to the loss of our international prestige, I have reason to fear that in the future, if an attack comes, the costs will be much greater in men, materials and friends.

Some will say that the danger which confronted the NATO nations in 1948 is not present today. I believe that, as I go along, I will be able to indicate—as Senator Yuzyk did in

a very fine speech in this Senate a few days ago—that the danger is as great today, if not greater, than it was on April 28, 1948, when the Right Honourable Louis St. Laurent rose in the Canadian House of Commons and became the first world statesman to advocate that Canada and the United States—and other countries as well—join the five nations which at that time had, of necessity, banded themselves together for mutual defence.

How pitiful is the contrast between the staunch support that three great Prime Ministers—St. Laurent, Pearson and Diefenbaker—gave to NATO, and the petty quibbling we hear now about isolationism and neutrality as roles for Canada in world affairs. Surely, if we are attacked, if there is aggression, we will need allies in the planning of our defence with other countries, and we will need strategies integrated with those of our allies—if we have them.

Hon. Mr. Martin: We have.

Hon. Mr. Grosart: We have them, and we are letting them down. If we still have them we can take off our hats to them for their generosity, because people do not usually make allies of those who let them down in the way we have let down those who are sitting under the Iron Curtain, those who are in immediate and daily threat to their lives and who relied on us to support them and to defend that line if Soviet aggression once again attempted to roll westward in Europe.

I say we cannot expect the full support of those allies if we downgrade our support to them now. Now is the time when they want our support. I believe the time will come when we will want their support much more than some think we may need it now.

Honourable senators, in support of this, I would like to put before you four general assertions. The first is that NATO was created in the face of imminent aggression and that nothing less than the strongest measure of preparedness on the NATO line will continue to meet that aggression.

The second is that NATO came into being not specifically as a United States initiative, not as a European initiative, but, as I have indicated, on the Canadian initiative of the Honourable Louis St. Laurent, in wise recognition at that time that Canadian survival and sovereignty may very well rest, now and in the future, on the kind of association we have with the other free nations of the world.

The third assertion I will make is that it is NATO and NATO alone which has stopped aggression in Europe; stopped the Iron Curtain from rolling our way over the last 20 years. The defence role of NATO has in itself become a deterrent, and the deterrent, as we all know, has become a détente.

The fourth assertion I will make is that the NATO alliance remains essential to the defence of Canada today and that the idea that we can take shelter in some concept of neutrality or in isolationism or in continentalism which, whatever they may be called, are politically stupid and militarily nonsensical.

The first of those assertions is that NATO was an absolute necessity for the defence of Europe and North America 20 years ago. Canadians too often forget the assertions that were made by Mr. St. Laurent at that time and the emphasis he put on Canada's self-interest in an association such as we have undertaken with NATO. A mere look at the map will explain why.

During the war Soviet imperialism took over eight national entities, as Senator McDonald pointed out in his very excellent speech on the motion, and 23 million non-Russian people went behind the Iron Curtain. As honourable senators will remember, it was at that point that Mr. Churchill, later Sir Winston Churchill, sent his famous telegram to Mr. Harry Truman, President of the United States: "They have rolled down the Iron Curtain on their front". Incidentally, that was the first use of that famous phrase.

That was only the beginning. Mr. Churchill, in all his wisdom, was at that point surely not aware of what was going to happen in the next three years. Here, across the map of Europe, had been set up a block, and, if honourable senators wish to look at that map and shade in those countries and parts of countries that were taken over, they will find that before the war was ended the U.S.S.R. had set up an almost continuous block from the Arctic to the Caspian sea. They set up a buffer state in much the same way that a bandit will grab a child or a woman in order to hold that person in front of him to ward off an attack. That is what the Soviets did. That was, as I say, only the beginning. In the next three years those 23 million people who had been enslaved behind the Iron Curtain became 113 million, an additional 90 million being added in the terrible days of 1945 to 1948.

What happened at that point? Honourable senators, what happened then was the formation of NATO. NATO was formed with a

speed and efficiency probably never equalled in the history of alliances as large and as complicated. Since the formation of NATO, not one square foot of free Europe has gone behind the Iron Curtain.

It is from this accomplishment, this keeping of the peace of the world for 20 years, that Canada now wishes to withdraw—by half, by two-thirds or, perhaps, completely. Statements that have been issued on the side of the Government are so utterly confusing that I doubt if there is anyone who really knows what the express intent of the Government is. Perhaps the honourable Leader of the Government in this house, who has had intimate knowledge of the matters of which I speak, may even have an intimate knowledge of Government policy on NATO. If he has, he is probably the only member of the cabinet who does have. But, if he will venture an opinion on whether we are going to half pull out, three-quarters pull out or completely pull out, I will listen with the greatest of interest, because I have searched the documents and there is no clear, positive statement about it.

The reaction all over Europe is that they are asking Canada: "What are you up to? What are you going to do? Do you really mean it?" They are not for one minute accepting the bland statement that we are not downgrading our role in NATO but are just pulling out the troops, bringing them back and holding them here in Canada where they will be available. The nations of Europe are not accepting that for one minute. The nations of Europe are saying that our commitment was to have our troops in Europe on the front line so that when the shooting started we would be there and would be involved. Those nations sitting in daily fear of their freedom will not be interested in wondering whether Canada or the United States or anybody not immediately involved will come to their defence; what they fear is that we will have a long discussion in Parliament wondering whether we should honour what commitments may be left of our NATO agreement. They fear that, if we wait until we get parliamentary consent rather than automatic acceptance of our commitment, it will be too late.

Hon. Mr. Lamontagne: Such as we had in Cuba.

Hon. Mr. Grosart: As we had in Cuba? I should be very interested in discussing the Cuban situation. I am very glad that Senator Lamontagne raised the matter, because the United States acted very swiftly in Cuba. In terms of international law, they acted illegally, but swiftly. Why? Because the threat was close at hand. And Canadians supported the action of President Kennedy enthusiastically, I believe. Why? Because the threat was close at hand; because it came in an area where many Canadians had their homes.

The honourable senator is quite right. We acted swiftly. But the Europeans are not convinced that we will act that swiftly in future, when they see us withdrawing our troops from the front line now.

Hon. Mr. Phillips (Rigaud): Will the honourable gentleman permit a question? Do the European countries, to whose criticism of Canada you refer so vividly, include France?

Hon. Mr. Grosart: I am not sure. I am trying to think whether, in the many press clippings I have seen, France as such has made any pronouncement on the subject. I do not believe France has, as such, but I can assure the honourable senator that many informed commentators in France have.

Hon. Mr. Phillips (Rigaud): I am not interested in assurances; I simply wanted to elicit a fact as to whether France, as a country, had raised an objection.

Hon. Mr. Grosart: Perhaps the honourable senator will recall what I just said, that I do not know whether France, as a country, has, because it is a rather indefinite term. But important and influential French people have. I would rather doubt if France as such has criticized our stand, although they might very well do so. I would point out that even though they changed their role in NATO, they left their troops in which is very different from the action which Canada has taken. If we had done the same thing there would not have been this tremendous downgrading of the image of Canada around the world. If there are any further questions, I would be happy to answer them. And if I am speaking with some feeling and with some emotion, it is because I am embarrassed and ashamed of the position that the Government of my country is taking in this vital matter.

Hon. Mr. Martin: I do not think my honourable friend should be ashamed.

Hon. Mr. Choquette: One member of the other place is and he just crossed the floor because of that.

Hon. Mr. McDonald: That is his privilege, but he did not cross it all the way.

Hon. Mr. Lamontagne: Remember Douglas Harkness.

Hon. Mr. Grosart: I am apparently not the only one who feels some emotion or some feeling in this matter. It is reciprocated on the other side and that is a good sign. We do not have enough of that here.

The second thing I would point out is that NATO came into being as a result of Canadian initiative. This should serve to dispel the impression we are given at this time that our NATO role is some kind of outdated European involvement. Let me briefly recapitulate some of the history leading up to the formation of NATO. In February, 1948 we had the coup d'état in Czechoslovakia. The following month five nations in Europe associated themselves in a mutual defence treaty called the Brussels Treaty after the same city where the conference which is the subject of this debate was held. These five nations were Belguim, France, the United Kingdom, Luxembourg and The Netherlands. The following month Mr. St. Laurent rose and made his historic proposal that Canada and the United States should associate themselves with that pact. Then in June we had the blockade of Berlin, and Senator Vandenberg rose in the United States Senate to propose his famous resolution expressing the determination of the United States to utilize if necessary the powers, authority and rights as laid down in Article 51 of the United Nations Charter to join with other nations within NATO in a mutual defence pact. In a few months the treaty was ready and it was signed in April 1949. In addition to the original five Brussels nations there was now the United States, Canada, Italy, Iceland, Denmark, Portugal, Norway and these were later joined by West Germany, Turkey and Greece. If NATO needs any justification you will find it in the fact that West Germany is today on our side and not on the other side.

In that initiative Mr. St. Laurent was greatly strengthened by another great Canadian, Mr. Pearson. As honourable senators will remember, Mr. Pearson was a member of the Committee of Three, the three wise men of NATO, who were commissioned to report on aspects other than the military, namely, the political, economic and social aspects and give NATO the value of their judgment. That report was very surprising because although it was so completely on the non-military side, the whole stress was on the essential nature of the maintenance of military defence and the peacekeeping role of the alliance. If I may quote a few random excerpts from the report, the first speaks of NATO's objective

> of finding a secure and honourable basis for competitive and ultimately for co-operative co-existence with the Communist world.

This should dispel the idea we hear put forward so often that NATO is a deterrent to the concept of co-existence.

The report further says:

> The foundation of NATO, on which alone a strong superstructure can be built, is the political obligation that its members have taken for collective defence: to consider that an attack on one is an attack on all which will be met by the collective action of all. There is a tendency at times to overlook the far-reaching importance of this commitment, especially during those periods when the danger of having to invoke it may seem to recede.

I would particularly draw attention to that last phrase "especially during those periods when the danger of having to invoke it may seem to recede." These are the words of Mr. Pearson and others in 1956. Again the report says:

> This is our best present deterrent against military aggression, and consequently the best assurance that the commitment undertaken will not be engaged.

This refers of course to the fact that if the deterrent is strong enough we have a good chance of preventing war.

Referring to the question of close unity, I quote again from the report where it says:

> —this close unity was both natural and desirable; that the common cultural traditions, free institutions and democratic concepts which were being challenged, and were marked for destruction by those who challenged them, were things which should also bring the NATO nations closer together, not only for their defence but for their development.
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> Meanwhile some of the immediate fears of large-scale all-out military aggression against Western Europe have lessened. This process has been facilitated by evidence that the Soviet Government have realized that any such all-out aggression would be met by a sure, swift and devastating retaliation—

I believe that that justification of NATO is as true today as it was when Mr. Pearson signed that report. Honourable senators will note that all the elements we have discussed today in respect to NATO, regardless of whether one is for or against it, are to be found in the quotations I have read. They point out that peaceful co-existence is a possibility if we are strong enough on our side. The report refers to the danger of complacency if western nations should be lulled or mesmerized to a degree of complacency which would fit in with the plans of the would-be aggressors. It reminds us of the continuing threat and the importance of the deterrent role.

Honourable senators, I have referred to Mr. St. Laurent and Mr. Pearson and naturally I should mention the role of another great Canadian, Mr. Diefenbaker, who not only supported and extended the policy adopted by Mr. St. Laurent and Mr. Pearson but, on a certain historic occasion at the specific request of the Prime Minister of Great Britain and the President of the United States, stood up in the United Nations Assembly and challenged the leader of the USSR to his face to free the 123 million non-Russians behind the Iron Curtain.

The third assertion is that it is NATO and NATO alone that has kept the peace, stopping the aggression dead and establishing the front line, making it clear that the nations on our side, the nations who might be the victims of aggression, are prepared, and not only are they prepared but they are determined that they will be seen to be prepared.

We hear a good deal about preparedness and armaments, about the readiness to defend ourselves—as causes of maintaining the tension that may lead to war. Surely, if history means anything, the very opposite is true: NATO's defence deterrents have led to a détente. Reading the history of those days, I wonder if anybody would seriously doubt that Soviet imperialism would have rolled westwards over other countries had NATO not been established at that time. I have no doubts at all on that score. Further, I find it impossible to follow the reasoning of people who say, "NATO created the détente; the détente is here; now we do not need NATO." That is reducing the argument to as strange an absurdity as I have ever heard in any argument.

On the contrary, the evidence is abundant—Senator Yuzyk spelled it out, as I mentioned—that the aims of the Soviets continue to be aggression, aggression everywhere. Again, as Senator Yuzyk pointed out, they made it clear that part of their strategy is to lull the rest of the world into complacency. They pretend the détente is something they invented. Surely, NATO is the reason why there is a détente, and if NATO is weakened, then we can be sure that will be the end of the détente.

NATO has had some accomplishments that it is very difficult to imagine would have been achieved without NATO. West Germany might and almost certainly would be behind the iron curtain. Honourable senators will recall that the blockade of West Berlin was unsuccessful because NATO was there. The attempts to take over Greece and Iran failed because NATO was there to see that they failed; and the Berlin Wall, as an honourable senator mentioned the other day, is there to make clear to the world the contrast between life on that side of the iron curtain and on our side. My final assertion is that the day may and probably will come when NATO will be much more important to Canada than Canada is to NATO. What are the alternatives to preparedness being suggested by those who support the downgrading of our role in NATO? They say we can confine our defence lines to Canada, that we can protect ourselves. This has been said, sometimes with the rider: "with the help of the Americans." I wonder if anyone really believes that. One wonders what use ground defence forces would be in Canada in the event of an attack. It seems fairly clear from the evidence we have that the only answer to an attack is from launching pad to launching pad. In the foreseeable future Canada is not going to have the capability of matching the missile launchings that would come over the North Pole.

We are also told—and this is the subject of a book published just last week—that we can defend ourselves and save ourselves from attack by becoming neutral, that we can opt out of the world. You sometimes hear it postulated, "What about Switzerland and Sweden? They have managed to do it. Cannot we do it?" The fact of the matter is that, apart from great differences in geographical location, Sweden and Switzerland are also just about the two most heavily armed nations in the world. That is the price they pay for neutrality. The suggestion we hear in Canada is that we can be neutral without being armed to the teeth. It is impossible.

The final suggestion I hear is: Let us be isolationists until we are attacked, and then we will do something about it. Surely, it would be too late for that. No one likes an isolationist, and if we isolated ourselves from the world, from our commitments in the free world, I, for one, fear we would find ourselves sorrowfully isolated at the time of attack.

It seems to me that such assumptions are founded on two generalities which are not true. One is that the Soviets want peaceful co-existence within the present boundaries, the lines now drawn—the NATO front line and others. My first answer is that there is not a jot or tittle of evidence that I can find to support that view. Even were it true, could Canada really seriously put itself in the position of saying, "We do not care about the 113 million behind the Iron Curtain, and we will leave them there; it is their hard luck; that is the way the war wound up, and that is the way Soviet aggression wound up three years after the war"? Can any Canadian really say that we will abandon them to their fate? On the contrary, surely a strong NATO front line is in the long run the only hope these enslaved millions have that they will ever enjoy the freedom of the western nations.

In making these comments on what appears to be our NATO policy, I am using it really as a symbol of what appears to me to be a symptom of the very serious illness of some Canadians, and that is the disease of isolationism.

The *Round Table,* a publication not unfriendly to Canada, had this to say in a leading editorial in the July issue:

> As the Americans sort out their priorities, the British and Canadian governments are showing them a poor lead. Both are withdrawing narrowly into their continents... The Canadian government has proclaimed a diminished interest in the defence of Europe; ...and it is apparently proposing to retire into North American isolation which was once the pride of the United States and the scorn of Canada.

So our scorn of the past has, in some parts of Canada, apparently become our pride of the present.

I said that there is considerable evidence of a loss of prestige abroad, and widespread comment thereon. Honourable senators may be interested in reading the current issue of *The Canadian Banker* which contains an article written by Peyton Lyon entitled: "Canada's Cheaper Ride in World Affairs," which documents some of the comment that is being made abroad. Perhaps I may read a few random passages:

> They (the Europeans) nevertheless express regret that Canada is losing interest in their continent and weakening its voice in matters vital to world security.
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> This regret turns to astonishment, and even annoyance, when it is noted that Canadian spokesmen deny that we are weakening our support for the Atlantic Alliance and say that we intend to increase our political role in Europe while drastically cutting our military presence. Not without reason, the Europeans refuse to be persuaded that Canadian troops contribute as much to general security, or to détente, when removed to the other side of the Atlantic—especially now that it is known that the overall strength of the Canadian forces is to be reduced substantially. Since Canada is violating the club rules by slashing its military contribution, unilaterally and without compelling reason, the other NATO members consider preposterous the demand that our views should be accorded the same hearing as in the past.

Hon. Mr. Smith: May I ask the honourable senator who is the author of this? I did not catch the name.

Hon. Mr. Grosart: The author is a former member of the Department of External Affairs, Peyton V. Lyon, who is now chairman of the Department of Political Science, Carleton University.

Professor Lyon makes other comments, such as:

> Canada's military withdrawal is weakening our diplomacy on precisely the sort of question on which we like to be taken most seriously—disarmament, nuclear contingency planning and east-west relations.

Peyton suggests, and I agree with him, that we just cannot have it both ways. International relations are not that simplistic.

Again, he writes:

> Both the substance and the manner of the Canadian decision cause the Europeans to question Ottawa's assurances that it does not intend to hurt the alliance.

And, again:

> Nevertheless, Canada enjoys the distinction of being the first member of the alliance to announce that it is simply abandoning an agreed role and substituting another—

Hon. Mr. Lamontagne: Is that statement true?

Hon. Mr. Grosart: I will re-read it:

> Nevertheless, Canada enjoys the distinction of being the first member of the alliance to announce—

He is saying this sarcastically.

Hon. Mr. Lamontagne: I know.

Hon. Mr. Grosart:

> —that it is simply abandoning an agreed role and substituting another—

Hon. Mr. Lamontagne: Is that true as well?

Hon. Mr. Grosart: I would have some doubts. I share Professor Lyon's sarcasm, but I would be inclined to include France. Perhaps honourable senators will allow me to conclude and summarize my remarks by a short quotation from the Report of the Committee of Three, signed by Mr. Pearson. I believe these words are as true today as they were when he wrote them:

> The fundamental historical fact underlying development is that the nation state, by itself and relying exclusively on national policy and national power, is inadequate for progress or even for survival in the nuclear age. As the founders of the North Atlantic Treaty foresaw, the growing interdependence of states, politically and economically as well as militarily, calls for an ever-increasing measure of international cohesion and cooperation. Some states may be able to enjoy a degree of political and economic independence when things are going well. No state, however powerful, can guarantee its security and its welfare by national action alone.

Hon. Paul Martin: Honourable senators, I think we have every reason to be grateful to Senator McDonald for initiating this discussion. I am of the view that these are vital matters in connection with which the Senate has a responsibility. The speeches of the participants in this debate, from the time it began with Senator McDonald's speech, have been of a very high order. The speech to which we have just listened is not one with which I fully agree, but I do commend the industry and the zeal of Senator Grosart—

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Martin:—in this, and in other fields of endeavour in which he is engaged as a member of this house.

I well remember the speech made by Senator Grosart's seatmate, Senator O'Leary, on NATO and Canadian policy in regard thereto. It was a speech that I do not think would meet with Senator Grosart's full accord, but it did great credit to the Senate. It was delivered by Senator O'Leary in his powerful style, and it added to the richness of our debate and the debating capacity of this chamber.

I do not agree with Senator Grosart that the results of the Government's reappraisal of its NATO policy means a downgrading by the Government of NATO. I do not agree that the announcement of the policy by the Prime Minister on April 3 last could in any way be regarded as a drift towards isolationism.

Senator Grosart listed four important postulates, as he saw them, the final one of which, if I correctly understood it, provided that NATO remains essential to the defence of this country. There is nothing in the statement of policy of the Government, as announced on April 3, that would be contradictory to this statement. Nor is there anything in the Government's revised NATO policy which would warrant the view that the Government is moving toward neutrality for Canada. The Government has never said that it was possible or desirable for Canada to be neutral. The statement of Government policy made by the Prime Minister provided for our continued membership in NATO, and our support for the principle of collective security embodied in the charter of NATO itself.

The Prime Minister went on in that statement to say that Canada was opposed to a policy of isolationism. He also said that Canada is opposed to a policy of non-alignment. He made the very necessary distinction between neutralism and non-alignment. It could have been argued that because we were making a reassessment of policy it amounted to a neutralist policy. The Government was careful in affirming its belief in NATO to say that at the same time it did not support for Canada a policy of neutralism or of non-alignment.

The Government recognizes that its security depends on a peaceful world. One of our main national objectives must therefore be to contribute, as the Government is doing, to the prevention of nuclear war and to the promotion of peace. The Government does propose to loosen itself of its nuclear responsibility. It continues to believe that the prevention of nuclear war and the promotion of peace depend on a peaceful world. Canada wishes to contribute as a member of the United Nations and within the provisions, as Senator Grosart said, of Article 51 of the Charter, as a member of the North Atlantic Treaty Organization with which Canada has had so much to do through the initiatives of Mr. St. Laurent and Mr. Pearson.

Our decision last spring to reaffirm our membership in the North Atlantic Alliance was based on the view that NATO, and Canada within it, have a significant role to play in the preservation and promotion of peace. I have indicated what that decision was and I repeat it: it was to continue as a member of NATO, at the same time affirming our opposition to neutralism and to non-alignment. The decision to reduce our forces in Europe to approximately half the current level by next year was taken in the light of the remarkable economic progress of the western European countries in recent years. Another factor was the change in their ability to provide the necessary defence forces.

A relevant point is that Canada, unlike most other members of NATO, has been bearing a significant defence burden on two continents. It should not be forgotten that valuable partners in NATO, such as Italy, Norway, Holland, Denmark and France, do not have forces outside the continent of Europe. Of the countries I have mentioned, only France has troops stationed outside her borders, in nearby Germany. There are no forces of other countries outside their own borders.

In appraising the contribution that Canada has made and which its government, after reappraisal of its foreign policy, has made, recognition should be given to the continued contribution we are making militarily and otherwise to NATO. We have reduced our military presence in Europe, but we continue to maintain a substantial military presence there. Our present view is that not only do we regard NATO as essential from a military point of view, but we regard it as having an important political role. This is one of the reasons we continue to participate in the organization. Not only do we recognize its political role, but we recognize that NATO can be and has been a forum for the examination of arms control and disarmament measures and the harmonization of Canadian views in connection therewith. This is a very important point, particularly at the present time when we are considering the Helsinki conference which is now under way, involving discussions between the two great powers, the Soviet Union and the United States.

We continue to be a member of NATO. We regard Article 2 as having a continued significance in the Alliance. I noted with interest what Senator Grosart had to say about Article 2, which was placed in the treaty as a result of the initiative taken by the former Prime Minister, Mr. Pearson.

In fulfilment of our undertaking to take account of the views of our allies in bringing about a planned and phased reduction in Europe, we conducted extensive consultations in NATO during the summer concerning our proposals. During these consultations we reaffirmed our intention to meet responsibly our collective security obligations under the North Atlantic Treaty and to continue to play an active and constructive role in support of the values which we share with our allies. We have been assured by the NATO military authorities that, notwithstanding our reduction, the over 5,000 man force which will remain in Europe will be able to play a meaningful part in the alliance's defence effort.

Hon. Mr. Grosart: Would the honourable Leader of the Government permit a question? Has the Canadian Government given the NATO alliance any assurance as to the length of time it will continue the Canadian military presence in Europe?

Hon. Mr. Martin: No. The forces levels are fixed by each country for one year at a time. No country would give that commitment and no country has ever been asked to give it. The Ministers of Defence meet each December, as they are doing this very week in Brussels, to determine the force levels.

From the military point of view, NATO's continued importance lies in its stabilizing influence and in the fact that it reduces the possibility of a major conflict originating in Europe. The United States and the Soviet Union have vital interests in the area. Accordingly, any outbreak there could readily

escalate into a world nuclear struggle. However, the danger of nuclear war can only be permanently reduced if solutions can be found for underlying political issues which create east-west tensions. Significant progress toward arms control and disarmament is also necessary. It is for that reason that the Government welcomes discussions currently under way in Helsinki between the two great powers, who are meeting primarily to discuss strategic arms limitation possibilities.

So it follows that one of the most compelling reasons why Canada remains a member of NATO—and it is important to note that is the fact, that we continue to remain a member of NATO, without reservation—is the importance we attach to the political role of the alliance in furthering an accommodation with the Warsaw Pact countries on political problems and promoting agreement on arms control. Certainly the Government takes the position that the meaning of Article 51 of the Charter of the United Nations presupposes that regional organizations are not necessarily immortal. If we are to have peace in Europe, peace in the world, the time must be reached when we will be able to work out some accommodation with the Warsaw Pact countries. This is the view of every member in NATO.

Senator Grosart spoke of détente. No one has been more interested in pursuing détente than the Canadian Government, both the present and the former government. Some progress in détente has been made. But it would be imprudent, I think, to conclude that we have reached the final stages of the removal of strain between east and west. The fact is that in the promotion of détente we and the other members of the alliance wish to encourage gradual and co-ordinated development of contacts with the Warsaw Pact countries to establish the mutual confidence necessary for the settlement of political issues. The alliance, as distinguished from the organization—because this includes the 15 countries, that is to say, France and the other 14—has publicly indicated its desire to explore with these countries concrete issues that would be most appropriate for fruitful negotiation and early resolution.

On the arms control side, the Government believes that NATO is important in several respects. It is the forum where the United States has consulted with Canada and the other countries in preparation for the vital strategic arms limitations talks that have begun in Helsinki. We have encouraged these consultations, and also the important exchanges of view that take place within NATO on other aspects of arms control and disarmament, such as the peaceful use of the seabed and the prohibition of chemical and biological warfare.

The other day the President of the United States made a very important commitment with regard to biological warfare. That commitment was one that in its principal terms was the subject matter of discussion by NATO partners. This illustrates the value of the continuous series of talks that goes on all year at NATO between the representatives of the various countries who compose the membership of the organization.

Another arms control subject on which NATO has been pursuing intensive studies is the proposal for mutual and balanced force reductions in Europe, which the alliance publicly suggested in June 1968, and which it had urged in 1966 and 1967, but to which the Soviet bloc has unfortunately not yet reacted.

A significant new dimension, one that greatly interests Canada and is another reason for our continued membership in the organization, is indicated by the recent decision of NATO, supported of course by Canada, to establish a committee on the Challenges of Modern Society, to consider problems of human environment, and to improve the exchange of views and experiences among member countries in this increasingly important field.

Article 2 of the treaty provides:

> The Parties will contribute toward the further development of peaceful and friendly international relations, by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Mr. Pearson was perhaps more responsible than anyone else for the inclusion of this article in the treaty. It was with the greatest disappointment that Canadian governments, including the government of Mr. Diefenbaker, at every ministerial meeting did not find favourable reaction to the implications of this article, particularly by the Government of the United States. Mr. Foster Dulles was a great student of international affairs. He

was a very important Secretary of State in the United States. But I believe history will show that it was as a result of his leadership that not much was forthcoming to give meaning and substance to this article. However, President Nixon may have taken an initiative that represents a reversal of official United States policy in this regard.

In furtherance of its aim of establishing a just and lasting peace in Europe, NATO decided at its ministerial meeting last April that a list of the issues which appeared ripest for negotiation with the western pact countries should now be drafted. It also directed that a study should be made of how a useful process of negotiation could be best initiated.

On the basis of the work undertaken in NATO since the last ministerial meeting in April, the meeting now in session in Brussels is considering what further steps should be taken to further not only the cause of détente but to give meaning to President Nixon's initiative. We will lend full support to developments in this regard, as we have all along, in trying to further dialogue between east and west. It seems to me difficult to understand how anyone can suggest that this dialogue should not be pursued.

During the April NATO ministerial meeting in Washington, President Nixon proposed that NATO:

> Create a committee on the challenges of modern society to explore ways in which the experience and resources of the western nations could most effectively be marshalled toward improving the quality of life of our peoples.

I believe that during the first 20 years the success of NATO in the two areas of collective security and political consultation is reflected in the creation of a third dimension. It will receive even greater support now as a result of this new mission.

Mr. Patrick Moynihan, President Nixon's senior adviser on social questions, described in the following terms what the President had in mind. He said:

> The "challenges of modern society" are to find ways to minimize the harmful effects that arise from imperfect use of technological developments, to achieve a more effective use of technology and more humane forms of complex systems with a view to enhancing the welfare and freedom of individuals and strengthening the basis of world peace.

At the April meeting the NATO ministers agreed, and this included Mr. Sharp, the Secretary of State for External Affairs, that the United States proposal was worthy of further consideration. In their communiqué they instructed the permanent council to examine how to improve the exchange of views and experiences among allied countries in the task of creating a better environment for their societies. A permanent NATO Committee on the Challenges of Modern Society, therefore, has been established. This is a great change in United States policy and in the opportunity now open to NATO.

Environmental problems, with their related economic, legal and social implications, which are of growing concern to Canada and other countries, may now be part of the workload of NATO. Every avenue which might assist in finding solutions in these areas should be pursued. It may be that this will be one of the really effective ways of bringing about peace and stability in Europe.

One could not deny that much valuable work is already being done in these areas by the U.N. and the O.E.C.D., but I would observe that no one organization could hope to supply all the answers.

We have been one of the chief proponents of non-military co-operation in NATO. It would therefore seem appropriate for us to support an extension of NATO's interest to an area which will be of growing importance to its members in the 1970s. Because NATO's members include many of the world's most developed countries, they necessarily have a community of interest in terms of environmental problems, which have already been referred to in this house by Senator Macnaughton in the initiative he took the other day. Canada should be able to both benefit from this NATO activity and, I would hope, make a contribution to it.

The role envisaged for NATO, as I understand President Nixon's proposal, is primarily that of a forum or the exchange of information and experiences among member countries on environmental questions. The alliance itself, essentially a military alliance, would not attempt to carry out the scientific work. NATO activity would centre on an open-ended committee of high-level experts who would meet periodically during the course of a calendar year.

The Government has authorized Mr. Campbell, the Canadian permanent representative to the North Atlantic Council, to support the establishment of the proposed NATO Com-

mittee on the Challenges of Modern Society. I believe the first meeting of the permanent committee will take place from December 8 to 18 in Brussels.

I had emphasized the proposal of Mr. Nixon, because of the Government's continued support for NATO, as another reason for the position we took as announced by the Prime Minister on April 3. There is nothing isolationist in the Government's policy. There was certainly no basis for suggestion that it was a trend toward neutralism, because in the announcement of the policy he indicated that in our support for collective security, as represented by NATO, we were opposed to a policy of neutralism, as we were to a policy of non-alignment. The fact that we gave emphasis to the importance of continental defence in no way abridges our support for the concept and for the nature of the organization which we helped to bring into being.

The reduction of our military commitment was not a precedent. It is not the first time countries have taken action by bringing about a reduction in their military contribution. We ourselves, during the time that I was Secretary of State for External Affairs, reduced our contribution. It is true that we did not carry out the policy until we had had consultations. It is also a fact that the governments of Great Britain and the United States, in consultation with the government of the Federal Republic of Germany, because of problems in regard to balance of payments, did take initiatives that led to reductions. What is significant is that we continue to support the organization. We have not changed our policy, but what we have done is to reduce our military commitment by half.

This is the result of a reappraisal by the Government of its foreign policy in this particular area. It is not the first time the Government has reappraised its foreign policy. I may say that a year before I retired from the office of Secretary of State for External Affairs, I caused a reappraisal of many aspects of our foreign policy. Foreign policy must be continuously under examination and re-examination. There is nothing static in a policy underlying the attitude of one country toward other countries. Changes are the very nature of human life. As Bacon said, "There is the gradual unfolding of an idea in human affairs." And so it is in the life of a government and its policies.

[Hon. Mr. Martin.]

The reappraisal that took place during the Pearson Government was a reappraisal by the Government itself. The reappraisal by the Government was in relation to a section of the public. This was an advance over the reassessment made by the Pearson Government of this and other aspects of Canadian foreign policy. I see no reason whatsoever for concluding that the Government of Canada, as presently constituted, recognizes less than any other nation its responsibilities to our interdependent world community.

Our emphasis on external aid, the increased allocations, the additional funds that are gradually being provided to assist the underdeveloped people of the world, the new emphasis on continental defence, the new emphasis on the need to defend our national sovereignty—these are not in themselves inconsistent with our obligations to the world community, to NATO, or to the United Nations.

Hon. Mr. Grosart: Would the honourable senator permit a question? Would he not agree, since he has mentioned our commitments under CIDA, that we have completely reneged on the undertaking, which he himself gave, to reach by 1970 the U.N. target of one per cent of G.N.P. for our development aid?

Hon. Mr. Martin: It is true that in the Pearson Government we did hope to reach one per cent of the G.N.P. by early 1970-71, but whether or not we do, the fact is that more and more money is being allocated—more this year than last year—and the result will be that by 1970-71 more moneys will have been allocated for development in the underdeveloped countries than heretofore.

The Prime Minister was quite frank. He said that we have economic problems at home. We have to face the problem of eliminating budgetary deficits and attaining budgetary surpluses. To meet those objectives there have to be modifications. The fact is, as he said, that while every department of government has been the subject of retrenchment—

Hon. Mr. Grosart: Except one.

Hon. Mr. Martin: —the one area where there has been no retrenchment in total dollar terms is in the field of external aid.

Honourable senators, in answer to those who have spoken before, I say that the Government need not apologize for its policy on

NATO. There are many people in the country who would have us withdraw from NATO. I myself faced an audience of some 3,000 students at the University of Alberta a week ago Monday. There I was confronted with an overwhelming expression of view that this is what Canada should do, supported by four eminent panelists who supported this position of the students.

We are now engaged in a healthy dialogue in this country. There is more interest in foreign policy. It is being publicly debated more than at any other time. This is all to the good. However, the fact is that the Government of the day has a responsibility; and I believe that this Government has discharged its responsibility and its obligations under NATO in a way which warrants the support of Parliament and the people of Canada.

Hon. Mr. Carter: I want to put two questions to the honourable leader.

First, I would like to ask him if he would be good enough to elaborate on the reply he gave to Senator Grosart about the Government's future position with respect to NATO. I think much of our confusion arises from the fact that the statement made by the Prime Minister does not commit Canada to remain in NATO any longer than the end of 1970.

As I understand it, the original members were committed for a twenty-year period and when that expired they were free to review. Has anything been done to make the commitment for a further period of three or four years? No question of uncertainty has arisen in respect to any other NATO member except Canada. That seems to stem from two facts—that we have withdrawn part of our force or plan to withdraw it, and we have not given any commitment beyond one year. That leads many people to think that the withdrawal of forces is the first step leading to total withdrawal. I would like the honourable leader to elaborate on that.

My second question relates to the détente. If we work out a détente with the Warsaw Pact nations, what value would it have? Soviet Russia had an agreement with Czechoslovakia but when Czechoslovakia began moving towards a freer society and a better relationship with the western countries, which Soviet Russia interpreted as interfering with its policy, then Soviet Russia had no compunction in walking in.

If we work out these agreements, what guarantee would there be? What basis is there for believing that they in turn would not become scraps of paper when it suited Russia's policy to disregard them? I would like the honourable leader to elaborate on this, but if he cannot do so now he could do it at some convenient time.

Hon. Mr. Martin: I do have to catch a plane, and will not answer the senator's question as fully as I would wish.

The treaty provides that in 1969 any country may give notice of intention to withdraw. No country has taken advantage of the provisions of the treaty. That includes Canada. That is the only reply one can make.

I have given indications today of the strong support we have for the alliance and for the principle of collective security. I will look at other aspects of the question which Senator Carter has raised. These matters are too important to be answered loosely.

I wish to emphasize that our position with regard to notice is no different from that of any other country. We have not taken advantage of the provisions regarding 1969. We affirmed through the Prime Minister on April 3 our intention to continue as a member of the organization.

What the future holds, no one can tell. I would hope that the day will come when we can rely on the provisions of the Charter of the United Nations. We would never have proposed NATO, if it had not been for the fact that in 1947 the Honourable Louis St. Laurent and Senator Vandenberg and others felt that there was no guarantee for security for the western world under the provisions of the Charter, because of the intransigence of the Soviet Union in particular, regarding Article 43 of the Charter of the United Nations.

I would despair if I thought for one moment that the new world was going to have to be divided into two armed camps, such as we have now. The reason we are pursuing policies of détente in NATO, the reason we are eagerly grasping the opportunity of giving some effect to Article 2 is that we look for the period when the emphasis can be on non-military instead of military co-operation. But the Government has taken a position in a statement made by the Prime Minister on April 3.

Hon. Mr. Lamontagne: Mr. Speaker, in order to pursue this dialogue referred to by the Leader of the Government, I should like

at this stage to move the adjournment of this debate so that perhaps next week I might have the opportunity to put on record the views of the old left.

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

ADJOURNMENT

Leave having been given to revert to Notices of Motion:

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and not withstanding Rule 45(1)(g) I move, seconded by honourable Senator Langlois, that when the Senate adjourns today it do stand adjourned until Tuesday, December 9, 1969, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, December 9, at 8 p.m.

APPENDIX

(*See p. 269.*)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE
PRESENTED BY HON. MR. LEONARD

Thursday, December 4th, 1969.

The Standing Senate Committee on National Finance, to which was referred the Supplementary Estimates "A" for the fiscal year ending March 31, 1970, has in obedience to the order of reference of November 19, 1969, examined the said Supplementary Estimates and reports as follows:

1. Your committee has examined the said Supplementary Estimates "A" and has heard evidence thereon from the Honourable C. M. Drury, President of the Treasury Board, and Mr. S. Cloutier, Deputy Secretary, Programs Branch, of the Treasury Board.

2. The said Supplementary Estimates provide for total expenditures of $66,446,526 and for loans of $24,760,002, bringing the total of Main and Supplementary Estimates for the current fiscal year to $11,924,098,029 and the total of Loans, Investments and Advances to $634,418,060.

3. It was stated in evidence before us by the President of the Treasury Board that the total of these Estimates plus additions that may be made by final Supplementary Estimates will be consistent with a budgetary surplus for the fiscal year.

4. Included in the said Supplementary Estimates "A" were fourty-four (44) one dollar ($1) items about which your committee made inquiries and the explanations of these items are contained in a statement furnished by the Treasury Board and attached as an appendix to this report. Over the past several years your committee has been concerned about the number and character of one dollar ($1) items contained in various Supplementary Estimates. In consequence thereof at a meeting of this committee held on November 2, 1967, the then Secretary of the Treasury Board, Dr. George F. Davidson, expressed his willingness to give an undertaking to provide the Committee with mimeographed explanations of such items. As a result, the appendix to this Report explains the one dollar ($1) items in the said Supplementary Estimates "A".

5. The largest vote in these Supplementary Estimates is vote 5a for $40,000,000 for the Treasury Board, and your committee received evidence from the witnesses to the effect that this item is required to assist the Board in connection with salary adjustments for all departments of the Government as a result of bargaining negotiations with employees.

Respectfully submitted.

T. D'Arcy Leonard,
Chairman.

APPENDIX "A"

EXPLANATION OF ONE DOLLAR ITEMS SUPPLEMENTARY ESTIMATES (A), 1969-70

SUMMARY

The 44 one dollar items in these Estimates are listed separately in the attached according to purpose.

(I) One dollar items authorizing transfers from one vote to another within a ministry to meet salary costs and to meet other costs. (25 items to meet salary costs and 4 to meet other costs.)

(II) One dollar items to provide for the listing of items of expenditure that are required to be listed in Estimates (i.e., grants and certain capital projects, 12 items).

(III) One dollar items to amend legislation usually approved through Estimates. (3 items).

PART I

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER WITHIN A MINISTRY TO MEET SALARY COSTS AND TO MEET OTHER COSTS

TRANSFERS TO MEET SALARY COSTS

Agriculture

Vote 5a: Amount of transfer to this vote $934,999.

Source of funds: Vote 10 ($200,000); purchase of items of equipment originally scheduled for acquisition in the current fiscal year has been deferred.

Vote 17 ($734,999) Agricultural Stabilization Account. The amount of subsidies will be lower than anticipated due to decrease in price support activity; in particular an improvement in the price for sugar beet

subsidies to levels lower than originally estimated.

Vote 15a: Amount of transfer to this vote $111,899.

Source of funds: Vote 17 ($111,899) Agricultural Stabilization Account—as explained above.

Vote 30a: Amount of transfer to this vote $407,899.

Source of funds: Vote 17 ($407,899) Agricultural Stabilization Account—as explained above.

Vote 40a: Amount of transfer to this vote $146,899.

Source of funds: Vote 17 ($146,899) Agricultural Stabilization Account—as explained above.

Communications

Vote 1a: Amount of transfer to this vote $863,999.

Source of funds: Vote 5 ($649,999) Construction and Acquistion of Buildings, Works, Land and Equipment—Estimated expenditures on the ISIS "B" contract reduced by $450,000 due to delay of the project and deferment of purchase of miscellaneous equipment $2,000,000.

Increase in revenues forecasted to be netted in Vote 1—$214,000.

Clarification of legislation: Also amending the wording of Vote 1 to clarify the authorization to expend revenues received by Canadian Radio Television Commission for purposes of this vote.

Energy, Mines & Resources

Vote 1a: Amount of transfer to this vote $119,399.

Source of funds: Vote 5 ($119,399)—reduction in planned scale of replacement of field survey equipment.

Vote 15a: Amount of transfer to this vote $900,999.

Source of funds: Vote 20 ($440,000)—Main Estimates provided for purchase of Skyvan Aircraft but the purchase at a cost of $400,000 was made from 1968-69 funds; postponement of astronomy mirror transit project, $40,000.

Vote 25 ($18,000)—reduction in grants for costs of scientific conferences in geological sciences.

Vote 40 ($442,999)—reduction in expenditures on contracted studies.

External Affairs

Vote 1a: Amount of transfer to this vote $2,367,999.

Source of funds: Vote 15 ($2,367,999)—expenditure for Defence Support Assistance in Greece and Turkey has been less than expected; contribution to cost of Tanzanian Military Academy is no longer required as Military Assistance Agreement with Tanzania is not being renewed; proposed grant to International Civil Aviation organization not required in 1969-70 because planned move of ICAO to new headquarters has not taken place.

Fisheries & Forestry

Vote 5a: Amount of transfer to this vote $1,172,999.

Source of funds: Vote 10 ($1,172,999)—deferment of vessel construction ($643,000); deferment and cancellation of building and works ($308,000); general reduction in acquisition of equipment ($221,999).

Vote 20a: Amount of transfer to this vote $199,999.

Source of funds: Vote 25 ($199,999)—deferment of minor capital projects and final payment on Nanaimo Laboratory.

National Health & Welfare

Vote 8a: Amount of transfer to this vote $39,999.

Source of funds: Vote 15 ($39,999)—it is expected that contributions for hospital construction will be less than estimated in Main Estimates 1969-70.

Vote 20a: Amount of transfer to this vote $1,556,999.

Source of funds: Vote 41 ($1,000,000)—reduction in cost of payments to immigrants in lieu of family allowances since number of immigrants arriving in Canada with children is smaller than expected.

Vote 25 ($159,000)—deferment of planned construction of Fisher River Indian Hospital in Manitoba.

Vote 15 ($397,999)—based on current trends reflected in claims submitted by the provinces, contributions to hospital construction will be less than estimated.

Vote 40a: Amount of transfer to this vote $311,999.

Source of funds: Vote 10 ($249,999).

Vote 15 ($62,000)—based on current trends as reflected by claims and projects submitted

by the provinces, contributions for health grants and hospital construction will be less than originally estimated.

Public Works

Vote 1a: Amount of transfer to this vote $1,317,799.

Source of funds: Vote 15 ($1,317,799)—general slow down in this program has made funds available for transfer to other departmental votes.

Vote 5a: Amount of transfer to this vote $1,969,799.

Source of funds: Vote 15 ($1,969,799)—as detailed above.

Vote 35a: Amount of transfer to this vote $147,599.

Source of funds: Vote 15 ($147,599)—as detailed above.

Vote 55a: Amount of transfer to this vote $34,199.

Source of funds: Vote 15 ($34,199)—as detailed above.

Regional Economic Expansion

Vote 1a: Amount of transfer to this vote $943,493.

Source of funds: Vote 10 ($943,493)—the number of projects initiated by provinces involving building of industrial infrastructure are less than estimated and funds provided in this vote are therefore available for transfer.

Transport

Vote 1a: Amount of transfer to this vote $499,999.

Source of funds: Vote 15 ($499,999)—actual subsidies payable less than estimated due to decreased cost of operating in ice free conditions in North Sydney Harbour and efficiencies from operating the new rail-car ferry service to Newfoundland.

Vote 5a: Amount of transfer to this vote $1,579,317.

Source of funds: Vote 10 ($1,579,317) reassessment of priorities and deferment of capital projects has made funds available for transfer.

Vote 30a: Amount of transfer to this vote $2,999,999.

Source of funds: Actual revenues expected to exceed original forecast by ($2,999,999) and provide additional funds required.

Veterans Affairs

Vote 1a: Amount of transfer to this vote $57,999.

Source of funds: Vote 10 ($57,999)—actual expenditures on War Veterans' Allowances less than estimated due to decline in number of recipients and lower than anticipated average cost.

Vote 5a: Amount of transfer to this vote $464,502.

Source of funds: Vote 10 ($464,502)—as detailed above.

Vote 40a: Amount of transfer to this vote $301,297.

Source of funds: Vote 10 ($301,297)—as detailed above.

NON-SALARY ITEMS

Agriculture—Canadian Dairy Commission

Vote 55a: Amount of transfer to this vote $45,299.

Purpose: To meet additional administrative expenses due to the larger than expected workload; to meet costs of larger premises.

Source of funds: Vote 17—Agricultural Stabilization Account—as explained in Vote 5a.

Finance

Vote 1a: Amount of transfer to this vote $75,999.

Purpose: To provide for the costs of issuing White Paper on Tax Reform ($26,000) and computer work on Canada Student Loans Plan ($50,000).

Source of funds: Vote 15 ($75,999)—payment to provinces of grants in lieu of taxes will be lower than originally estimated since assessments on properties are less than expected.

Manpower and Immigration

Vote 6a: Amount of transfer to this vote $429,999.

Purpose: To provide funds to make payments against undischarged commitments in respect of Winter Works Incentive Programs of previous years.

Source of funds: Vote 20 ($429,999)—deferment of projects with lower priority has made funds available.

Vote 15a: Amount of transfer to this vote $2,499,999.

Purpose: To provide additional funds to complete the Czechoslovakian Refugee Movement Program; placement in employment has taken longer than expected and some courses for refugees have been increased in length.

Source of funds: Vote 1 ($352,000)—size of staff will be lower than originally planned for the year, thus releasing funds.

Vote 5 ($2,026,700)—reduction in the O.T.A.—Purchase of Training has made these funds available.

Vote 20: ($121,299) certain projects of lower priority have been deferred making funds available for this purpose.

(It is considered desirable to more clearly set out the authority under this program to give assistance to immigrants on a "recoverable" basis and therefore the word "recoverable" has been added in the vote title.)

St. Lawrence Seaway Authority

Vote 85a: Amount of transfer to this vote $344,999.

Purpose: To cover operating costs for reopening Lachine Canal under terms of an injunction issued by the Supreme Court of Montreal on January 20, 1969.

Source of funds: Vote 90 ($344,999)—the operating deficit on the operation of the Welland Canal in calendar year 1969 is now estimated to be lower than originally estimated.

PART II

ONE DOLLAR ITEMS TO PROVIDE FOR THE LISTING OF ITEMS OF EXPENDITURE THAT ARE REQUIRED TO BE LISTED IN ESTIMATES

Communications

Vote 15a: To authorize contribution by the Post Office to furnishing of International Building, Berne, Switzerland—$2,999.

Explanation: Member countries of the Universal Postal Union were asked to contribute gifts of furnishings at 1968 meeting of the Executive Council. Canada endorsed this proposal and this is the cost of purchasing and shipping Canada's contribution.

Source of funds: Available within vote 15.

Energy, Mines & Resources

Vote 25a: To authorize a grant to the Canadian National Organizing Committee for the XXIV Session of the International Geological Congress—$25,000.

Explanation: Canada is the host country of the XXIV Congress in 1972 and this grant to the Organizing Committee is to meet the costs of administration and printing of circulars in 1969-70.

Source of funds: Reduction in planned scale of grants in aid of research in the Geological Sciences ($24,999).

Vote 50a: To authorize a grant to the Canadian National Committee of the International Geographical Union—$20,000.

Explanation: Canada is the host country for the 1972 Congress of the International Geographical Union and this grant is to meet expenses in 1969-70 in preparing for this Congress.

Source of funds: Reduction in total expenses of the Canadian Council of Resource Ministers, resulting in smaller amount as Canada's share. Funds available ($19,999).

External Affairs

Vote 15a: To authorize grants and contributions in addition to those detailed in Main Estimates 1969-70 in amount of $215,500.

Source of funds: Available in Vote 15.

Canadian International Development Agency

Vote 35a: To authorize additional grants to International Food Aid and the World Food Program in the amount of $13,745,000.

Explanation: To permit additional grants of wheat and other foodstuffs and to increase the cash grant to the World Food Program.

Source of funds: Vote 35—Funds available in the International Development Assistance activity since C.I.D.A. has not fully committed these funds under arrangements with developing countries for fiscal year 1969-70.

Finance

Vote 2a: To authorize grant to Trail Disaster Relief Fund $200,000 and transfer of $199,999 from vote 15.

Explanation: Contribution to Trail, B.C. to aid those who suffered losses during floods in the spring of 1969.

Source of funds: Vote 15 ($199,999)—Payments to provinces of grants in lieu of taxes on federal property will be less than orignally estimated since assessments on the properties are less than anticipated.

Indian Affairs and Northern Development

Vote 1a: To authorize grant to University of Alberta toward cost of conference on production and conservation problem in the amount of $3,000.

Explanation: The department is a supporting member of the International Union for the Conservation of Nature participating in this conference and the contribution is to assist in defraying the costs of a conference held in Edmonton.

Source of funds: Vote 20 ($1,500)—Northern Economic Development, and Vote 40 ($1,499) —Canadian Wildlife Service.

Public Works

Vote 15a: To authorize certain construction and acquisition projects as detailed in the Supplementary Estimates—$4,420,300.

Explanation: To permit changes in priorities in the Accommodation Services Program resulting from urgent requirements of client departments.

Source of funds: Vote 15 ($4,420,299)—the rearrangement of items within the vote as well as a general slow down in the works program will provide funds to proceed with these items.

Vote 30a: To authorize new construction and repairs as detailed in the Supplementary Estimates, $770,000.

Explanation: To permit changes in the Harbours and Rivers Engineering Services program resulting from urgent requirements in other areas.

Source of funds: Vote 30 ($769,999)—rearrangement of priorities within the vote will provide funds to proceed with the projects as detailed.

Vote 40a: To provide funds to cover the costs of the Northumberland Strait Crossing termination budget. ($1,499,999)

Explanation: Decision not to proceed with the Causeway had not been taken at time of 1969-70 Main Estimates. The outstanding accounts against this project will approximate $1,500,000.

Source of funds: Vote 40 ($749,999) by rearrangement of priorities within the vote; Vote 15 ($750,000)—resulting from a general slow down in the works program covered in this vote.

Transport

Vote 40a: To authorize additional funds for assistance to mainline airports and for Canada's assessment as a member of the World Meteorological Organization $160,610.

Explanation: Added funds necessary for contributions to operation of municipal and other airports due to an increasing number of mainline airports entitled to assistance which was unforeseen in preparation of the Estimates for 1969-70, and also to finalize payment of assessment to the World Meteorological Organization due to change in U.S. rate of exchange from 7 per cent to 8 per cent.

Source of funds: Vote 40 ($160,609) - reduction in fellowship grants in meteorological research and reduction in contributions for the establishment or improvement of Terminal and Operational Buildings for mainline airports.

Canadian Transport Commission

Vote 50a: To amend the wording of Vote 50 to authorize payment of grants in aid of transportation education and research.

Explanation: Main Estimates 1969-70 included this amount of $125,000 for grants but the vote title did not provide the authority for payment.

Source of funds: Vote 50.

PART III

ONE DOLLAR ITEMS TO AMEND LEGISLATION USUALLY APPROVED THROUGH ESTIMATES

Industry, Trade and Commerce

Vote L97a: To amend the wording of Vote 657 Appropriation Act No. 2, 1952 to permit the department to make advances to employees during their services abroad.

Manpower and Immigration

Vote L115a: To amend the wording of Vote 626 Appropriation Act No. 2, 1955, to permit the department to make advances to employees during their service abroad.

National Research Council

Vote 15a: To amend the wording of the vote to include the following—"to authorize the spending of revenue received by the Council in the conduct of its operations".

Explanation: In the 1967-68 Auditor General's Report (Section 142) the Council's authority to expend its revenue is questioned because Section 13(e) of the NRC Act as revi-

sed in 1966, does not contain the enabling phrase "to expend revenue received by the Council through the conduct of its operation", which had been included in the Act prior to 1966.

To clarify this authority a change in the wording of the Council's vote is proposed as detailed in this item.

*(Note: Vote L33a for External Affairs has the same purpose as this and the preceding vote but in addition it increases the amount of the Working Capital Advance.)

THE SENATE

Tuesday, December 9, 1969

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

Prayers.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-2, to amend the Judges Act.

Bill read first time.

Hon. Paul Martin moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-8, to amend the Children of War Dead (Education Assistance) Act.

Bill read first time.

Hon. Paul Martin moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL, 1969-70

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-157, to authorize provisional payments for the 1969-70 crop year in respect of unthreshed grain in the prairie provinces.

Bill read first time.

Hon. Mr. Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of final communique issued following the Ministerial Session of the North Atlantic Council held at Brussels, Belgium, December 4 and 5, 1969, together with copies of a Declaration of the North Atlantic Council.

Report on Activities under the Prairie Farm Assistance Act for the Crop Year 1968-69, pursuant to section 12 of the said Act, chapter 213, R.S.C., 1952.

Copies of a contract between the Government of Canada and the municipality of Creighton, Saskatchewan, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

Report of the President and Statement of Accounts of the Industrial Development Bank for the fiscal year ended September 30, 1969, pursuant to section 29(4) of the Industrial Development Bank Act, chapter 151, R.S.C., 1952.

BANK ACT

BILL TO AMEND SCHEDULE A—FIRST READING

Hon. Maurice Bourget presented Bill S-13, to amend Schedule A of the Bank Act.

Bill read first time.

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

Motion agreed to.

BANKING, TRADE AND COMMERCE

ADDITION TO COMMITTEE MEMBERSHIP

Hon. Donald Smith, with leave of the Senate, moved:

That the name of the honourable Senator Grosart be added to the list of Senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—ADDITION TO SENATE MEMBERSHIP

Hon. Donald Smith, with leave of the Senate, moved:

That the names of the honourable Senators Pearson and Quart be added to the list of Senators serving on the Joint Committee on the Library of Parliament.

Motion agreed to.

JUSTICE

COMBINES INVESTIGATION OF PUBLISHING BUSINESS IN NEW BRUNSWICK—INQUIRY ANSWERED

Hon. J. Campbell Haig inquired of the Government, pursuant to notice:

(1) Under what section of the Combines Investigation Act was an inquiry instituted into the publishing business in New Brunswick?

(2) Who submitted the complaint and on what date?

(3) What action has been taken to date and by whom was such action taken?

(4) Has the inquiry been completed and, if not, when is the report expected?

Hon. Paul Martin: Answered.

(The answer follows)

(1), (2), and (3). The long standing practice, as explained by the Minister of Justice in the House of Commons on November 23, 1964, concerning inquiries under the Combines Investigation Act, is that no information is given out about an inquiry unless or until a report is made by the Restrictive Trade Practices Commission or some other public action is taken pursuant to the statute. In the present case, certain action taken by the staff of the Director of Investigation and Research was publicized by some of the people under investigation. In this case, the Director has informed the Minister that, having reason to believe that the Act had been or was about to be violated, he applied to the Restrictive Trade Practices Commission for a certificate allowing him to exercise the power of entry and search provided under section 10 of the Combines Investigation Act. This he did in accordance with the statutory duty imposed upon him by section 8(b) of the Act. In accordance with the practice referred to, however, it would not be proper to disclose further details.

(4). No. Under the Act the Director has several courses open to him during or on the completion of his inquiry. He may refer a statement of the evidence to the Restrictive Trade Practices Commission and to the parties under section 18 or to the Attorney General of Canada under section 15, or he may discontinue the inquiry under section 14. In the latter event, the discontinuance would be reported to the Minister of Consumer and Corporate Affairs and the parties concerned would be informed of the discontinuance.

[Hon. Mr. Smith.]

CUSTOMS TARIFF AND EXCISE TAX ACT

BILL TO AMEND—THIRD READING

Hon. Hartland de M. Molson moved third reading of Bill C-140, to amend the Customs Tariff and to make a consequential amendment to the Excise Tax Act.

Motion agreed to and bill read third time and passed.

INTER-PARLIAMENTARY UNION

FIFTY-SEVENTH ANNUAL CONFERENCE HELD AT NEW DELHI, INDIA—VISIT BY DELEGATION TO CEYLON

The Senate resumed from Thursday, December 4, the debate on the inquiry of Hon. Mr. Carter calling the attention of the Senate to the visit to Ceylon of the delegation from Canada to the Fifty-Seventh Annual Conference of the Inter-Parliamentary Union.

Hon. Edgar Fournier: Honourable senators, tonight I will probably make the shortest speech of my life.

Some Hon. Senators: Hear, hear.

Hon. Mr. Fournier (Madawaska-Restigouche): Recently I returned, along with a few of my colleagues, from a long trip which took us to Israel, India and Ceylon, a small portion of Egypt, and Italy, including Rome. I feel somewhat like the astronauts returning from the moon to earth—I ask myself whether it is true that I was really there.

My reasons for adding a few words to what has been said so eloquently by Senator Carter in his explanation of the whole trip are simply that I wish to pay tribute to certain people, especially Mr. J. Timmerman, the Canadian High Commissioner in Ceylon, his charming wife, and his staff. I wish to thank especially Miss Margaret Cathy, the secretary of the staff, who spared no effort in preparing our trip, and making it pleasant and easy for everybody.

I endorse all the statements made by Senator Carter with respect to this trip. It is obvious that he put both time and effort into preparing such a complete report.

It is truly said that, in its natural setting, Ceylon is a very interesting country. Being so close to the equator, it has the world's most beautiful sunsets. Incidentally, I managed to take quite a few pictures of those beautiful sunsets, and I assure you they are really something to behold.

Despite the completeness of Senator Carter's report, I wish to mention two points that he omitted and which I feel are of real interest—at least, they are to me as an old senator. Those two aspects are liquor and women.

However, I shall deal with these subjects briefly. Taking liquor first of all, I would mention that because the religion there is largely Islam, the people do not drink much hard liquor. Another reason, perhaps, is that they do not have the money with which to buy it. However, as I say, they do not drink hard liquor to any extent. I wish I could say the same about my own country. Mainly, they drink water and a small amount of beer made in Ceylon, or soft drinks.

So far as the women are concerned, they are very beautiful, with their brownish tan and wearing maxi dress. They go in very much for colours, and have a charming personality. I might add that the miniskirt is very seldom seen in Ceylon.

We have talked about the dangers of infection from the bite of the mosquito there. Perhaps there would be a greater incidence of these bites if the women were to wear miniskirts rather than maxiskirts—the male mosquito could be of some embarrassment.

We also had the opportunity of talking to some industrialists in Ceylon about the Colombo Plan. They told us, "We don't need any assistance from Canada; all we ask you to do is buy our tea." I discussed this subject with them for quite some time, and I found that they were indeed sincere in their view. They told us that Ceylon produces the best tea in the world, but they cannot put it on the market because it goes from Ceylon to London where it is blended with other teas. For that reason we never drink pure Ceylon tea.

Honourable senators, during this trip I was fortunate enough to have the opportunity to take a number of colour slides, and I hope in the near future to be able to show them to honourable senators who would like to see them. They will help to explain in a little more detail what we have been talking about in the course of this debate.

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—DEBATE CONTINUED

The Senate resumed from Thursday, December 4, the adjourned debate on the inquiry of Hon. Mr. McDonald, calling the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO Bases in Europe.

Hon. Maurice Lamontagne: Honourable senators, I decided to speak for the first time in this chamber on international affairs when the Government Leader expressed the hope last Thursday that more of us would participate in the debate initiated by Senator McDonald.

I have already expressed elsewhere the views which I propose to submit to you this evening. I do not apologize for this, because if there were no such repetition, the debates on foreign affairs would be much less frequent than they are. Moreover, I have the impression of representing the views of the growing minority which have not been expressed before this house, at least in the terms which I intend to use.

Let us say that I represent tonight, on this most important matter, the opinion of the silent minority, which can be described as the left wing of the Liberal party.

Hon. Mr. Flynn: In external affairs?

Hon. Mr. Lamontagne: Yes, on external affairs. Senator Grosart and others have spoken on behalf of the small "c" conservatives. The Government Leader has put forward the case of the big "L" Liberals. I propose to speak on behalf of the small "l" liberals.

[*Translation*]

First of all, I would like to give a brief summary of my argument by quoting part of a speech I made in the great town of Outremont on February 2, 1967, a long time

before the Canadian Government decided to redefine the part it plays within NATO.

I stated at the time:

> The era of prosperity that the industrialized countries are experiencing brings out in sharper contrast the poverty and hunger to be found in the economically under-developed ones. It has become urgent, in the name of the most elementary humanitarianism and in the West's own best interest, to promote on a much larger scale the economic development of those countries. For those reasons, Canada should reduce its military participation to regional alliances. This change should not be inspired by an illusory neutralism, nor should it lead to a reduction in our international commitments, but rather to an increase in our aid to developing countries. Briefly, this means that we should substitute to a marginal military role, of which our allies are less and less in need, a helping role that we are often in a better position than they are to fulfil adequately.

[*English*]

This is the general thesis that I developed last June in Toronto, and I intend to restate it tonight so that it will be part of our record. If it sounds too academic for some, I hope that you will forgive me on the ground that I am still a university teacher.

Hon. Mr. Flynn: I would suggest you make it very skilful, because it avoids the issue.

Hon. Mr. Lamontagne: I think the Leader of the Opposition may rest completely at ease, because I will not avoid the issue.

Hon. Mr. Flynn: I am sure you will.

Hon. Mr. Lamontagne: During the past few months Canada has been reassessing her role in NATO amd her approach to foreign aid. After more than twenty years of experience in these two fields, it was highly desirable to review what we have been doing and, more particularly, what we are going to do in the light of the international outlook, and also in the light of our own position in the world.

In the recent debate it appears to me that a concensus has developed in Canada on at least three aspects of our international involvement. First, our financial contribution to military alliances and our external aid program are viewed, rightly, in my opinion, as alternative methods of participation in international affairs. I will have more to say about this later.

Secondly, Canadians would like to contribute more to international development. Thirdly, the neutralist position has never had fewer supporters in Canada. Canadians do not always approve what the Americans are doing, but they definitely feel that they belong to the Western world. Thus, there is no popular demand for leaving NATO or for refusing to participate in the North American defence system.

On the other hand, I believe that there would be strong opposition in Canada if the Government were to increase simultaneously its military expenditures abroad and its external aid. There would then not be enough money left to solve urgent domestic problems. It is within this context of general consensus that real disagreement arises in Canada concerning our international involvement. There are those who would like our country to maintain its past role in NATO. This would mean growing expenditures in that sector, even without greater commitments, with the rising cost of equipment and armaments, which are becoming obsolete at a faster rate than ever before. This would almost inevitably prevent us from substantially improving our participation in international development.

There are other Canadians who would like to see our external aid increased rapidly. This would certainly mean that we would not be able financially to renew the military commitments we now have in NATO. The debate on Canada's international involvement is not, of course, always carried out in those terms, but I suggest that for the next few years at least these are the only two realistic alternatives that Canadians can afford to face if they do not want to neglect unduly their other national goals.

As far as I am concerned, I favour the second alternative. I belong to the second group which I have described, and I intend to justify my position. In so doing I would like first to deal with the changing international situation.

Since the late 1940's international conditions have changed substantially on several fronts. The three most spectacular changes have been the closing of the ideological gap between the so-called Soviet Bloc and Western countries; secondly, the widening development gap between the pre-industrial nations and the post-industrial societies, and the rapid rise of Red China as a world power.

This is where my lecture begins. The closing ideological gap between East and West is not a new phenomenon. I referred to it in 1953 in a speech entitled "The Future Role of Government." This most important evolution took the audience by surprise when I described it 16 years ago in Quebec City. It is still puzzling the Marxists. What happened was that Marx misled both his followers and his opponents. It is interesting to reinterpret Marx in the light of the modern theory of economic growth. According to that theory as it has been developed, especially by Rostow, national economies go through five main phases as they grow and develop. The first stage, the traditional or the pioneer, corresponds to the situation of many underdeveloped countries today; secondly, the pre-industrial era; thirdly, the take-off stage, when economic development becomes rapid and broader-based; fourthly, the industrial period; and finally, the post-industrial era, which is characterized by affluence and the predominance of service or tertiary industries.

For Marx, as reinterpreted in the light of this modern theory, these different stages of growth were to be accompanied by radical transformations of the economic and political systems in the world. Thus. economic activity in traditional societies and even during the pre-industrial period, was to take place within the general framework of feudalism. During the take-off stage and most of the industrial period, feudalism was to be replaced by liberal capitalism, a combination of private enterprise and political non-intervention, or laissez-faire. However, according to Marx the internal contradictions of capitalism were supposed to lead to its eventual destruction and its replacement by dictatorial socialism, as a result of the revolt of the proletariat, of the growing industrial reserve army, as Marx defined it, or of growing unemployment. Finally, as affluence was reached during the post-industrial era, the state, according to Marx, would wither away, communism would appear, freedom would be restored and each citizen would give to society according to his abilities and receive from it according to his needs. Thus, according to Marx, all national economies were to be subjected to the same linear pattern of growth, beginning with feudalism and ending with communism. This was the real meaning, I think, of Khruschev's famous remark in the United States: "We will all bury you."

It is quite easy for us today to see that this Marxist theory was wrong. It is true that at the beginning of the process of growth, feudalism was predominant throughout the world, but we now know that nations have not taken the same road to reach the take-off stage and to industrialize. Two main extreme positions emerged at that stage: liberal capitalism in the west, as observed by Marx, and dictatorial socialism in the east, beginning with the U.S.S.R. This was the origin of what I have called the ideology gap. Thus, dictatorial socialism, far from being the heir and successor of liberal capitalism, as foreseen by Marx, has proven to be an alternative and opposite road to industrialization for certain countries. No country which has industrialized under the conditions of liberal capitalism has accepted dictatorial socialism by choice, or by its normal internal evolution. No country which has adopted dictatorial socialism without external intervention had lived under capitalism before.

But there is a trend which is even more interesting to observe. While countries may use opposite roads to industrialize, these roads are eventually converging and will lead very likely, during the post-industrial era, to the same point, which is not communism but a sort of mixture between socialism and capitalism, a blending of collectivism and private initiative, of state intervention and individual freedom.

The reasons for this converging evolution are quite simple to understand. Capitalism initially put its main emphasis on freedom, and socialism first sought collective security. Liberal capitalism generates economic and social insecurity, and governments are eventually forced to intervene in economic and social spheres by the electorate. The result is a mixed economy based on private and public initiative, on more government planning and control. On the other hand, rising standards of living, including better education, in socialist dictatorships gradually develop the need for more individual freedom and less collective security, for more private initative and less government intervention.

It is quite evident, I think, that the East and the West are moving towards this common economic and political position. Western countries have already reached it, and there are numerous signs indicating that eastern European nations are also moving in that direction. Thus, the ideology gap between East and West is closing and a serious source of real conflict between the two is

disappearing. We should be realistic enough at least to observe this most important phenomenon, and to see its military and political implications for the future. I could quote a lot of illustrations in support of this theory.

Hon. Mr. Flynn: Not Czechoslovakia.

Hon. Mr. Lamontagne: I will refer to Czechoslovakia later.

This growing economic and ideological rapprochement between East and West, although most significant, is not the only important factor contributing to the changing situation in Europe. There are at least two others. The rise of Red China as a new world power and her recent aggressiveness towards Soviet Russia constitute a major new element in that situation. The cold war between Moscow and Peking has, in my view—although I am far from being an expert in this field—two causes. One is territorial, the other is ideological.

The territorial claims of Red China in Northern Asia do not need to be recalled here, but the ideological cause of the cold war deserves a few words of explanation.

In terms of the successive phases of economic growth that I have described previously, mainland China is still at her take-off stage, while the U.S.S.R is reaching the end of her industrial period. This means that the Chinese revolution is still at its virulent stage. It has proclaimed itself as the only faithful interpreter of the Marxist-Leninist doctrine, but the Russians, in their desire to reach affluence, are losing their communist faith and have become much more interested in studying and adopting American technology and management techniques than in Marxist teachings. Here again I could quote a lot of illustrations of this fact. As a result, a serious conflict of interest and a widening ideological gap are developing between Red China and the Soviet Union. This is a second reason why the Russians are more and more likely to remain quiet on their western front.

There is a third important element in the changing international situation. In the last 20 years the big powers have learned to fear each other, to respect their respective zones of influence and to refuse direct confrontation in the international No Man's Land of the underdeveloped world. The Berlin air-lift, the Berlin Wall, the massive eruption of the Chinese in North Korea, the American Blockade of Cuba, and recent events in Czechoslovakia have shown to what extent the big powers could go to protect their own spheres of influence.

The end of the war in Vietnam will, in my view, mark the beginning of a period of international status quo. The boundaries of these zones may and will change in the future, but this will happen as a result of the revolt of dominated countries and of the political incapacity of the big power involved to intervene rather than as a consequence of outside military intervention. The United States did not take the risk of supporting Hungary or Czechoslovakia, and the U.S.S.R. is not likely, in the future, to intervene militarily in South America.

Thus, the three main factors which have changed the relationship between East and West in the last 20 years are all contributing to an easing of tensions in Europe. As a result, the danger of a military conflict is becoming more and more remote in that strategic region.

Hon. Mr. Flynn: You do not give any credit to NATO for that?

Hon. Mr. Lamontagne: I am not against NATO, as I will show later. What I want to say is that the political systems themselves, in their very structure, have been changing all along. That is why I say that in my view the Cold War is over and the era of the Cold Peace is beginning.

During the last two decades, as the ideological gap between East and West was closing, the development gap between the industrialized countries and the underdeveloped nations was widening. This is undoubtedly the greatest challenge that the world will have to face in the last 30 years of this century.

I wish to describe just a few main dimensions of this widening gap and, in particular, to stress the fact that the assistance given by industrialized countries often tends to complicate rather than to solve the problems of the underdeveloped nations. For instance, let us take the population movement. There is no doubt that our shipments of food and drugs, and the transfer of medical knowledge, have improved health conditions in this great area of the world. The result has been that the span of human life has been extended significantly in recent years. For instance, in India, the normal life expectancy of women rose from 27 years in 1946 to 48 years in 1966. Thus the period of fertility has more than doubled.

Moreover, the infant mortality rate has declined substantially. In Kenya 51 per cent of the population was under 16 years of age in 1964. On the other hand, the methods of birth control developed in the West are not easily exportable, because it is well established that their utilization is closely related, not to religion, but to the standard of living and to the level of education. These combined factors are producing the population explosion. The experts of the United Nations are forecasting that world population will grow from 3.3 billion in 1965 to 6.1 billion at least in the year 2000. During that period the population of the industrialized nations will increase by only 40 per cent while that of the underdeveloped countries will more than double, rising from 2.2 billion to at least 4.7 billion. This is the basic dimension of the widening gap for which our assistance programs are unfortunately and perhaps unavoidably partly responsible.

Let us now look at another important aspect of that gap. The best projections available show that the annual gross national product per capita is likely to grow in the United States from $3,800 in 1965 to $15,000 in 1995, as compared with $80 and $130 in India during the same period. Thus, while the G.N.P. per capita is now 48 times greater in the United States than in India, it will be 115 times higher in 1995. James Bonner, the great expert on the world food problem, has estimated that in 1960 the average number of calories available per capita and per day in the underdeveloped countries was 2,000, but that this estimate would decline constantly to reach only 1,500 in the year 2000. This is on the assumption that recent trends continue to prevail, including of course the current levels of our assistance programs. If the food gap is growing on a per capita basis and if population is likely to more than double, the dimension of the food problem may soon become completely unmanageable.

It is certainly technologically feasible to increase food production substantially in the underdeveloped countries. The key factor is improved productivity, but this is not easy to achieve in practice. First, the unfavourable social climate, characterized by deeply rooted traditions, has to be overcome. This is a most difficult challenge in itself. Secondly, in order to increase productivity vast amounts of capital will be needed to control water systems, to fight against pests, to produce cheaper fertilizers and to improve marketing conditions. But capital is very scarce in the underdeveloped countries. Moreover, the rapid improvement of productivity on the farms will generate massive unemployment which the weak industrial sector will not be able to absorb. For instance, it is estimated that in Kenya next year 720,000 young people will be 17 years of age, and that at least half of them will not be able to find employment. Thus, it becomes quite evident that economic development is almost indivisible and that a balance of growth must be maintained between the various sectors of a national economy.

Honourable senators, as you can see, it will not be easy to close the development gap and to break the circle of over-population and economic underdevelopment. This problem is massive, urgent, and new. The western world reached its pre-industrial stage—where most underdeveloped countries are today—about 150 years ago. Canada was an exception. It never really had to face the circle which I have just mentioned. The social environment of the western world was favourable to industrialization. Its population problem, when it arose, was easily met by massive emigration, wars, and famines. Its industrialization was a natural phenomenon which could be left alone to develop slowly and normally. The West was leading the way and did not feel any sense of urgency.

As I have shown, the situation of the underdeveloped countries today is vastly different. As they see the emergence of the post-industrial societies of the western world, they will not be content to wait 150 years to reach the threshold of affluence. They will not tolerate indefinitely the widening development gap. They will certainly not accept the absolute decline in their standard of living that Professor Bonner is forecasting. This is the most complex and urgent problem that the world has ever faced and also, perhaps, the greatest menace to western civilization since the invasion of the Roman Empire —especially if the underdeveloped countries were to accept, in despair, the aggressive leadership of Red China.

Honourable senators, the world has changed indeed in the last 20 years, but our attitudes and policies in the West have not followed the same radical evolution. Too many of us still see the situation in Europe as it was two decades ago, and continue to ignore the major crisis emerging in the third world, which will soon become the second world. For instance, President Nixon, in my view, made a serious miscalculation when he proposed some months ago to reduce the

American budget for foreign aid to its lowest level in recent years. Of course, unilateral disarmament in Europe would be unwise, but NATO countries could have done more to close the credibility gap between East and West in the hope of accelerating the detente and to implement Article II of the Treaty, as so often advocated by Canadian spokesmen. Fortunately, West Germany, at last, is moving in the right direction to close this credibility gap.

Some countries will have to start looking at world problems within their new perspective and in the light of future priorities. This is, surely, a wise attitude for a country like Canada to take. Basically, we have to choose—and this is where I am quite ready to face the challenge issued to me at the beginning of my speech by the Leader of the Opposition—between continuing our military assistance to Western Europe and increasing our economic assistance to the underdeveloped countries.

Hon. Mr. Flynn: Why?

Hon. Mr. Lamontagne: In my view, the choice for Canada is clear. I want at this time to enumerate six or seven things which I feel we should do in this country in this respect.

Firstly, we should terminate our military assistance to Western Europe as soon as our current commitments are met. The United States, as the leader of the West, will have to continue to participate in the military role of NATO—simply because it is the leader of the West. With this support, the countries of Western Europe are certainly in a much stronger position today to provide for their own defence than they were 20 years ago.

Hon. Mr. Flynn: That is not their opinion.

Hon. Mr. Lamontagne: You will have to visit West Germany.

Hon. Mr. Flynn: I was over there.

Hon. Mr. Lamontagne: You will see that West Germany, Belgium, Holland, and other countries are not in the same position as they were in 20 years ago.

Hon. Mr. Flynn: They do not agree with you at all.

Hon. Mr. Lamontagne: But they are not in the same economic or industrial position that they were in 20 years ago.

Hon. Mr. Flynn: I know that, but Russia too has changed.

[Hon. Mr. Lamontagne.]

Hon. Mr. Grosart: Neither is Russia in the same position.

Hon. Mr. Lamontagne: We can discuss this later, if I may make my point. We can have a good, active seminar, as we should have in this house occasionally.

Hon. Mr. Martin: I think the Leader of the Opposition intends to get up right after you.

Hon. Mr. Lamontagne: I hope so—

Hon. Mr. Flynn: You do not expect me to reply tonight to such a learned speech!

Hon. Mr. Lamontagne: —and restate the Conservative position.

Hon. Mr. Flynn: A common sense position.

Hon. Mr. Lamontagne: I would like to be able to say that it is common sense—but common sense, unfortunately, is relative.

Moreover, the new regime in France will undoubtedly contribute to the strengthening of the military alliance in Europe. In that context, and in view of the new international situation, our military role in NATO becomes, in my view—and this is my personal view—more and more marginal. I fail to see why Canada should lose her good reputation as a member of the international community if we abandon that role because we can do other, more important, things in the world. Sweden's neutrality has not diminished the respect she has acquired in that international community.

Secondly, Canada should not adopt a neutralist policy—and in that respect I do not agree with the official foreign policy of Sweden.

Hon. Mr. Flynn: Nor with the official policy of the present Government.

Hon. Mr. Lamontagne: I am not expressing the official policy of the present Government. NATO countries have expressed the hope that we would remain in the alliance even if we do not renew our military commitments. Under such conditions, we should by all means continue to be a member of NATO, if our partners still want us, and we should participate actively in its political and economic activities—which I am sure will develop more and more, especially as a result of the latest initiative of the President of the United States. We should also, within that alliance, work for mutual disarmament in Europe and elsewhere.

Thirdly, we should make clear that any savings made as a result of our military withdrawal from Europe will be devoted to

increased foreign aid to underdeveloped countries. While our military role in NATO is marginal, and can be played at least as effectively and without any great additional sacrifice by Western Europe, our position vis-a-vis the underdeveloped world is almost unique. We have two languages which are widely used in the third world; we have no imperial past and I am sure we have no imperial future; we have the skills and know-how to assist in promoting economic development in the underdeveloped countries. Because of that unique position, we can be much more useful in the long run to the western alliance if we carry out a complementary mission in the underdeveloped countries, instead of merely duplicating the role of the other members of that alliance in Europe. Thus, this major shift in Canada's mission can be viewed as a sound and useful application of the international division of labour.

The fourth point is that, in that new context, we could envisage a new role for our armed services. Instead of being restricted to the role of "bird watchers"—and I remember that expression being used in the other place some years ago by a distinguished member of the Opposition who is in the Senate now—in Germany or in Canada, our armed forces could also serve as a peace corps on particular missions in underdeveloped countries. These nations not only need financial assistance, but must also change their social environment, learn new trades and learn how to use new technology. The wonderful training that the members of our armed forces receive could certainly be used most effectively to promote the development of poor nations. With these kinds of technical resources, the impact of our financial assistance would be greatly increased.

The fifth point is that our approach to external aid, until recently, has lacked the kind of planning and research that it needs to attain its maximum efficiency. It has been too piecemeal, too unsystematic and unco-ordinated. It was not based on adequate information or on a sound theory of economic growth.

Hon. Mr. Martin: Will the honourable senator permit me to ask him a question?

Hon. Mr. Lamontagne: Yes. I did not want to criticize the former Minister of External Affairs.

Hon. Mr. Flynn: Why not?

Hon. Mr. Martin: I do not mind the criticism, but I just want clarification of a point. With regard to the fourth point, Senator Lamontagne said he envisaged a new role for the armed services. He went on to say that that role in turn would envisage the promoting and developing of new nations. Would the armed forces do that as armed forces or as personnel otherwise engaged?

Hon. Mr. Lamontagne: Certainly as personnel otherwise engaged. I do not think we should send our armies abroad.

Hon. Mr. Grosart: Not in uniform.

Hon. Mr. Flynn: Maybe we should send the C.Y.C. over there.

Hon. Mr. Lamontagne: The proposed Research Institute on International Development, which, I think, will come up for our consideration very soon, will, in my view, fill an important gap in our external aid effort. It should be set up promptly but properly, and its activities should not be restricted to research on technology and development work. It must also develop realistic models of economic growth and new techniques to improve the social environment, which, in my view, is the great obstacle to industrial development in many underdeveloped countries.

The sixth point is that our new approach to external aid must be co-ordinated as much as possible with the effort of other countries. As compared with the total needs, our programs will always remain relatively small and we cannot afford to duplicate what other countries are doing. The global multilateral approach under the auspices of the United Nations still presents serious difficulties for big powers. The bilateral approach is bound to be ineffective. Canada should take the initiative and invite other countries—such as Sweden, Norway, Austria, Switzerland and, possibly, Australia, New Zealand and Yugoslavia—to join with us and launch a more restricted but genuine multilateral approach.

Finally, if Canada thus redefines her role in the world, there should be within the Canadian Government a minister in charge of international development, just as we now have a Minister of Regional Economic Expansion. This new minister would, of course, have to work in close collaboration with other departments, especially with the Secretary of State for External Affairs and the Minister of National Defence.

If we decide to follow the course which I have just proposed, we should not be ashamed of it or even defensive about it. On the contrary, we should be proud of it

because it would be the right course to take for a better Canadian contribution to the world and for a better Canada; moreover, it would undoubtedly strengthen our national identity and unity.

Canada has, indeed, reached the international crossroads. We have to choose between making a minor contribution to the prevention of a conflict in Europe, which is becoming a more and more remote possibility, and playing a greater and more substantial role in preventing a world catastrophe, which will become inevitable if nothing is done about it.

[*Translation*]

Our choice, at this crossroads, is very simple, I think. We must, at one and the same time, work towards closing the ideological gap that separates the East from the West and help underdeveloped countries to succeed in their industrial takeoff, so that the affluence gap that isolates them from the industrialized countries does not continue to grow. That is a big challenge, but the Western world, including Canada, cannot afford not to take it up.

[*English*]

Hon. Chesley W. Carter: Honourable senators, I should like to compliment Senator Lamontagne on the manner in which he has put forward the position of the old left wing of the Liberal Party.

Hon. Mr. Choquette: You mean the new left wing.

Hon. Mr. Carter: Oh, no. He himself called it the old left wing; and in order to put forward the position of the new right wing I should like to move the adjournment of the debate.

Hon. Mr. Choquette: Bravo!

Hon. Mr. Lamontagne: You will not be the first.

Hon. Mr. Flynn: That will leave the Leader of the Government in the Senate right in the centre.

The Hon. the Speaker: Order, please.

Hon. Mr. Martin: Mr. Speaker, may I ask Senator Carter a question? Will you proceed with your speech tomorrow, then?

Hon. Mr. Carter: No. I did not intend to get into this debate until I listened to the honourable senator's speech tonight.

Hon. Mr. Beaubien: Are we going to sit tomorrow?

[Hon. Mr. Lamontagne.]

Hon. Mr. Martin: I certainly hope to.

Hon. Mr. Flynn: What is the hurry? There is plenty of time, and time is needed in order to prepare an adequate reply to a very learned thesis such as the one we have just heard. It would be an offence to Senator Lamontagne were we to ask Senator Carter to reply immediately.

Hon. Mr. Martin: Having heard the honourable Leader of the Opposition at Strasbourg, I fully expected that he would rise to answer tonight.

Hon. Mr. Flynn: Oh, no. I shall follow Senator Carter, if no one else does.

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

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on National Finance with respect to the Supplementary Estimates (A) laid before Parliament for the fiscal year ending 31st March, 1970.

Hon. T. D'Arcy Leonard moved that the report be adopted.

He said: Honourable senators, my first remarks are to call your attention to the fact that, pursuant to the order of the Senate, the report was printed in the *Minutes of the Proceedings* of last Thursday and is attached to the Orders of the Day for today at pages 127 and following, including the attachment of an appendix to the report.

At its meeting dealing with Supplementary Estimates (A), the committee had before it the Honourable C. M. Drury, President of the Treasury Board, Mr. Cloutier and Mr. MacDonald, two of the senior officers of the Treasury Board. I think all members of the committee had an opportunity to ask questions on the Estimates and received very full and free answers to those questions.

I would point out at this time, honourable senators, that these are the first supplementary Estimates we have had before us since the main Estimates were tabled last February. I believe we can see a trend towards fewer supplementary Estimates—at any rate I hope so—and those that come before us will not be in such large amounts. This is, I believe, a result of the kind of scrutiny that

the National Finance Committee of the Senate and the appropriate committees of the House of Commons have been giving to these Estimates, with a view to including in the main Estimates as far as possible the budgetary expenditures for the year, and to the bringing in of supplementary Estimates only when absolutely necessary.

It is inevitable that there will be supplementary Estimates. When you consider that the original Estimates are prepared by the various departments in November—for example the main Estimates for the coming fiscal year are prepared in November 1969—it is inevitable that throughout the year new objects of expenditure come forward, while some funds are not fully used, with the result that supplementary expenditures become necessary. However, in this connection I point out that the total amount is some $66 million which, when compared with other supplementary expenses, is not in itself overly large. As Mr. Drury pointed out in his evidence before us, in adding these Estimates to the main Estimates you reach a total of $11,924 million. He further pointed out that notwithstanding these additional Estimates and notwithstanding what is expected in the way of further Estimates, the Government apparently still contemplates an overall surplus of the order of $250 million on its accounts for the fiscal year 1969-70.

The largest single item in the Supplementary Estimates (A) is $40 million, being a vote to Treasury Board to supplement the pay raises in the various government departments. This one item in itself constitutes almost two-thirds of the total amount involved in the Supplementary Estimates (A). This, as was explained to us by Mr. Drury, is part of what one might call a new procedure—comparatively new at any rate—in dealing with negotiations with the public servants.

Since this new procedure was instituted several years ago, some 72 agreements have been arrived at between various classes of public servants and the appropriate departments of government; and now the Government is starting on a second round of these negotiations. In his explanation Mr. Drury used the phrase that the Government in these bargaining arrangements does not wish to tip its hand. Therefore, this method is used to vote a sum of money to Treasury Board which will be carried forward to the extent of the amount remaining unused in any one year as a reserve, with similar votes in other years, so that there is no relationship between the amount that Treasury Board may have on hand and what it may require in connection with any particular bargaining agreement. This is the reason that a lump sum of $40 million is placed in the hands of Treasury Board under this vote. If and when agreements are reached, the departments needing to supplement their own pay increases can have the necessary money transferred from this vote of the Treasury Board to the appropriate department.

I would next call to your attention, honourable senators, that there are some 44 $1 items in the supplementary Estimates. This is a matter which we have had under discussion in the National Finance Committee for some years. There was a time when these items seemed to be used as an indirect form of legislation and, indeed, on other occasions there did not seem to be a satisfactory explanation. I think this change has been brought about as a result of the scrutiny given in the Senate and is something for which the committee can take some credit. I would call your attention to the fact, for example, that in November 1967—I think in response to questioning by Senator Grosart—Dr. George Davidson, then secretary of the Treasury Board, gave the committee an undertaking that in future the committee would be supplied with a mimeographed statement explaining every single $1 item. This was done; Mr. Drury filed such a statement with us and it also appears in the printed report of our proceedings.

I think you will find as you read through these items that there is a satisfactory explanation for each and every $1 item. For example, when a department applies to Treasury Board for a new expenditure that had not been foreseen in November last year or at the time the main Estimates were prepared, the Treasury Board says to that department, "Do you have some unexpended funds in another vote, or are there other votes that do not have the same priority as the item requiring this new amount of money you are asking for?" If the department is able to find the money under some other vote or even under that particular vote itself, then the money is transferred from the previous vote or from within the existing vote to the new project for which the money is being sought, and the $1 item is put in to indicate the change in direction of those funds.

As far as the other items in Supplementary Estimates (A) are concerned, I think they

speak for themselves, and it is not necessary for me to go through them in detail. However, in closing I would point out that we are improving our method of dealing with the Government's requirements for monies to meet its budget. Rather than debating them on a supply bill, over which we have only a limited amount of control, we have the President and officials of the Treasury Board, the ministers and the senior officers of these departments, come before us whenever we want them, we are able to bring about a more intelligent scrutiny of the items and thus bring about improvements and changes in the administration of the financial affairs of the Government.

Hon. Mr. Burchill: Senator Leonard expressed the view that he thought he recognized a trend towards fewer supplementary Estimates. This evening he has dealt with Supplementary Estimates (A). Did the minister indicate how many supplementaries there would be?

Hon. Mr. Leonard: Not in alphabetical order nor in the total amount, other than the general statement that what they could foresee with respect to any future supplementary Estimates would still keep the total overall expenditures—the main and all the supplementary Estimates—within the plans of the Government to finish the year with a surplus of $250 million.

Hon. Allister Grosart: Honourable senators, the chairman has covered the highlights of the report quite fully, and I will merely make a few comments that occur to me respecting what he has said.

I think it is important to repeat that while the Standing Senate Committee on National Finance does not take the time that the appropriate committee in the other place does to go into these Estimates in detail, nevertheless our examination of the Estimates, particularly supplementaries such as these, is far from perfunctory. Indeed, one particular aspect—the $1 items to which Senator Leonard drew attention—is evidence that the committee has been able to bring about a greater degree of disclosure of public spending than would otherwise have been the case.

As chairman of the committee, Senator Leonard has, I think, steered a wise course, by avoiding unnecessary duplication of the work of the committee in the other place, while at the same time providing the Senate with an adequate basis for further consideration of the Estimates as they come before us.

We all recognize the fact that the Senate does have a rather limited role with respect to supply and ways and means, and the committee, under Senator Leonard, has therefore concentrated rather on a broad overview of the system and structure by which Parliament is kept informed of the whys and wherefores of public spending. In doing so, in the last two years the committee has paid particular attention, as Senator Leonard has said, to these $1 items. Also as Senator Leonard has said, the Senate and the committee are entitled to take some credit for this, because it is rather remarkable that this device—and that is all it is—of hiding, and deliberately hiding, the function of certain requests to Parliament for money, has grown up over the years and, until the Senate took it in hand, without rebuke and without an attempt to change it. I took the trouble to look over the records and to inquire, and I am reasonably satisfied that the first serious attempt to bring about the kind of disclosure we now have was made by the Senate committee.

Hon. Mr. Martin: Does the senator not think the word "hiding" is inaccurately used in the context?

Hon. Mr. Choquette: Covering up.

Hon. Mr. Grosart: In answer to Senator Martin, I would not say the use of the word "hiding" is inaccurate or extreme, because this has been the exact effect, over the years, of some of these requests for votes: they have actually hidden the intent of the vote. It may well be said that a certain kind of detailed inquiry could extract the information, but when I use the word "hiding" I am not saying they were effectively hidden; I am merely saying the intent was to keep them under cover so that not too much attention would be brought to bear on them.

Hon. Mr. Leonard: Perhaps the honourable senator does not mean that this was deliberately done for purposes which were not proper.

Hon. Mr. Grosart: I think I would accept that amendment by Senator Leonard—or, rather, the second part of what he said. I think that at times $1 votes have been used deliberately to hide, but not for purposes that are necessarily improper.

Hon. Mr. Martin: If he would permit me, I would say to the honourable senator that I have been a member of many ministries, and I am certainly not aware that the reason for the $1 items was ever to hide the purposes from Parliament. One of the main reasons was because the time of Parliament was so taken up that it was impossible to get legislative authority for expenditures covered by these $1 items. To the best of my knowledge, it was that kind of reasoning, more than an attempt to keep information from Parliament, that caused this practice to be adopted.

Hon. Mr. Grosart: I would agree with the honourable Leader of the Government except that the case he has cited is one, though only one, of several uses to which this device is put. It has, of course, been used to amend legislation. Until the Senate committee drew attention to the fact, the officials repeatedly told us it was not really amending legislation. We argued this out for two years, and it took the best part of that time to get a full admission from the officials that that was the effect, that legislation was amended.

I may say to the honourable senator, if he objects to my use of the word "hiding," that there are actually $1 items which have amended legislation, the effect of which is not reflected in the consolidated statutes seven, eight, or nine years later. If that is not "hiding," I do not know what is. It may not be improper hiding, but when an amendment is made by means of a $1 vote and it is not put into the office consolidation of the statutes by the department, I say that amendment is hidden. Any lawyer consulted by a client—and there have been cases—who looked up the office consolidation of the statutes would be completely misled as to what a particular act actually provided, where there had been an amendment by way of a $1 item. That is all I want to say: it has been used to hide—I say, deliberately at times—but not with improper motives.

I have strayed somewhat from what I was going to say on the matter; I did not intend to go that deeply into the $1 items. I would recommend to the honourable Leader of the Government a careful reading of this very important appendix which the Chairman of the Standing Senate Committee on National Finance has placed on our record. If he will read the items in detail—and I am sure he has not, otherwise he would not have expressed his objection in the words he did—he will find some interesting examples of rather well—hidden facts. Perhaps I can give him an example.

As Senator Leonard pointed out, certain moneys have been "found". We speak of supplementary Estimates of $66.4 million. Actually the supplementary Estimates called for parliamentary authority to spend $91 million or $92 million, leaving aside the loans of $25 million. That is so because these $1 items ask Parliament to authorize $25 million in extra vote items, which is now being found in some other vote. So it is an authorization of a supplementary vote of $91 million.

Hon. Mr. Molson: It is a credit.

Hon. Mr. Grosart: It is $66 million of new money, but a reauthorization for the spending of $25 million of old money. We are not told in any document and, so far as I know, there is no way of finding, except by personal questioning of the departments, what projects have been abandoned, postponed, lapsed, or in what projects there has been a short fall of the original expenditure. So in these $1 items, even as they stand, the actual programs and projects which for one reason or another are not going ahead are not disclosed. There is no disclosure of this very important factor.

Hon. Mr. Martin: It will be in the main Estimates.

Hon. Mr. Grosart: The honourable senator says it will be in the main Estimates. No; it may be that a hard look at the Public Accounts when they come would disclose what the items are. The main Estimates will not show it, because we already have them for this year. The main Estimates for next year will not relate to this situation at all. Therefore, I can justify my statement that there is a good deal of hiding.

It is important to remember that the projects and programs covered by this $25 million were authorized as the express will of Parliament, and that they should be proceeded with. All I am suggesting is that if a series of $1 votes now asks Parliament to say these projects are not to go ahead, then the specific projects should be disclosed.

We have a great deal of pressure from the Government these days concerning corporate disclosure. We are told that corporations must make a much greater disclosure of their affairs. I suggest that there is a very good case to be made here for the Government to take a look at its own disclosure, and particularly to take a hard look at the Estimates and

these $1 items. In other words, I am saying that Senator Leonard has achieved by his persistence in this committee the very important milestone of the publication of these 44 items and the characterization of them into three main categories with the reasons. I suggest that the next important milestone the Standing Senate Committee on National Finance might take to its credit is the disclosure of these projects that are not going ahead. In other words, it is important to know specifically where this $25 million was "found."

With these comments, honourable senators, I fully support Senator Leonard's motion for the concurrence of the Senate in the report.

Hon. Mr. Martin: Honourable senators, I know it is contrary to the rules of any parliamentary assembly to comment on a vote or on the position that an honourable member takes with regard to any particular item, but I had thought at one point that I might take issue with some of Senator Grosart's observations.

Hon. Mr. Flynn: Too late, too late.

Hon. Mr. Martin: But when I noted that he so readily supported the position of the Chairman of the Standing Senate Committee on National Finance, I thought I should acknowledge with gratitude the fine contribution Senator Grosart made tonight, as he always does.

Hon. Mr. Flynn: He belongs to the left wing of your party.

Motion agreed to.

VISITORS IN GALLERY

Hon. Paul Martin: I should like to note the presence in the gallery of the delegation from Saskatchewan which is attending the Federal-Provincial Conference. We have with us the Deputy Premier, the honourable D. G. Steuart and two of his colleagues, Alex Mitchell and George Loken, members of the Legislative Assembly of the Province of Saskatchewan. I welcome them to this chamber, notwithstanding the things that they said about us today.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 10, 1969

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

Prayers.

APPROPRIATION BILL No. 4, 1969

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-169, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1970.

Bill read first time.

SECOND READING

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

Hon. Leopold Langlois: Honourable senators, I have just been informed that due to an unexpected delay this bill has not been printed yet. It is in the process of being put in mimeographed form, and I understand copies will be distributed momentarily. If honourable senators have no objection, I am prepared to move second reading and proceed with the explanation of the bill now. If there is objection, I will ask that it stand until later this day.

Hon. Senators: Agreed.

Hon. Mr. Langlois: With leave, and notwithstanding the provisions of Rule 44(1)(f), I move second reading of this bill.

Honourable senators, on June 27 last royal assent was given to a supply bill which released full supply for all the votes in the 1969-70 Estimates, except Vote L10, Loans, Investments and Advances, which was withdrawn. Vote L10, covering a $5 million loan to the Canadian Overseas Telecommunication Corporation, was withdrawn because the corporation's retained earnings were higher than originally estimated. This bill released Estimates totalling $12,467,309,561, consisting of budgetary expenditures of $11,857,651,503 and of Loans, Investments and Advances of $609,658,058.

The bill now before us provides for the release of full supply for all votes included in the Supplementary Estimates (A) for 1969-70. These Estimates consist of budgetary expenditures of $66,446,526 and Loans, Investments and Advances of $24,760,002 or a total of $91,206,528.

I have caused a resumé of Appropriation Acts Nos. 2 and 3, and the present act, Appropriation Act No. 4, to be distributed in mimeographed form, and I assume that honourable senators have this resumé on their desks now.

This bill, together with the previous supply bills, releases total Estimates for 1969-70 of $12,558 million, of which $11,924 million consists of budgetary expenditures and the balance, $634 million, of Loans, Investments and Advances.

The major part of the proposed supplementary Estimates requirement of $66 million consists of $40 million for the Treasury Board contingencies vote. This amount is required to supplement departmental votes for the cost of salary adjustments arising out of collective bargaining. The appropriation wording provides for payments owing with respect to 1969-70 and prior fiscal years.

Honourable senators will also note that a practice introduced in the final supplementary Estimates for 1968-69 is being continued here, namely, the redirection of funds from appropriations already approved by Parliament to reflect changing needs and priorities. For each such transfer an amount of $1 is shown in the Estimates as a net requirement to bring the item before Parliament and to obtain approval for the transfer.

Finally, I would point out that these Estimates were tabled in the Senate on November 19 last and on the same day were referred to the Standing Senate Committee on National Finance for examination. This committee, following their consideration of these Estimates, reported back on December 4, which report was finally approved by this chamber yesterday. The report was printed as an appendix to *Hansard* of December 4.

Honourable senators, the bill before you is in the same form as appropriation bills passed in previous years and does not include any additional borrowing authority.

Hon. Jacques Flynn: Honourable senators, we are indebted to the sponsor of this bill for his explanation. In fact, we are merely sanctioning what we approved last evening in the report from the Standing Senate Committee on National Finance to which were referred Supplementary Estimates (A). This appropriation bill covers the supplementary Estimates

totalling $91 million, of which $24 million was found in, let us say, unused items of the main Estimates which were voted last spring.

The chairman of the committee last evening indicated that the largest single item in the Supplementary Estimates (A) is one of $40 million, being a vote to Treasury Board to supplement pay increases in various government departments. He said "This one item in itself constitutes almost two-thirds of the total amount involved in the Supplementary Estimates (A)." I would correct this statement by saying that it represents a little less than half the total, because we are in fact appropriating $91 million, and this is an item of $40 million. It is two-thirds of the net addition to the main Estimates as voted last spring, and I would say that most of it is the result of these increases in the pay of public servants.

Now it has been pointed out that we are required to sanction this sum of $91 million in the supplementary Estimates, but we find that in various items that we approved last spring there were amounts totalling $24 million that were not going to be spent this year. So, the net total, as I have already mentioned, will be only $66 million.

We had occasion in committee to inquire of the President of the Treasury Board and of his officials the reason we are required to grant these supplementary Estimates; and, on the whole, I think we obtained a satisfactory explanation. It was mentioned at that time that these supplementary Estimates—of which we may have a further one or two before the end of the fiscal year—are in line with the objective of the Minister of Finance, as outlined in his budget speech of last spring, to achieve a balanced budget.

I would mention that in committee I asked the President of the Treasury Board whether the austerity program announced by the Government would be reflected in the overall picture of the fiscal year ending next March 31. He indicated that it would not be reflected because the austerity program would take effect only in the next fiscal year. However, there should be some savings, because some of the decisions which have been made are immediately effective. Yet the minister was not in a position to indicate whether these would be substantially reflected in this year's Public Accounts.

As I said earlier, this bill is merely a sanction of the Supplementary Estimates (A) which were referred to and studied by the committee, the report of which we approved last evening. Consequently, I see no reason why we should delay second reading of this bill at this time.

[Hon. Mr. Flynn.]

Hon. John J. Connolly: Honourable senators, I want to say only a word about this bill, more on the procedural than on the substantive side.

On the substantive side. I may say that I share the hopes of the Leader of the Opposition, Senator Flynn, that there will be a substantial reduction in the amount of the Estimates next year. Although one can live in hope, I do not know that there is any historic justification for this kind of optimism, either on his or my part, because, as honourable senators know, government expenditures, like all other expenditures and in particular those of large corporate enterprises, are rising at an alarming rate.

The great economic problem in this country today is inflation, and one of the major obstacles in solving it is the restricted power of the federal authority to deal with such matters as prices and wages, in the absence in peace time of legislation such as the War Measures Act. Perhaps eventually there will be a constitutional change which will allow the federal authority to take definite steps to combat inflation, which can be a disaster for the nation as a whole, and in particular the poor. We have seen examples of this in other countries, especially in parts of Europe after the war. I hope that the provincial and federal authorities will be able to agree some day on a formula which will enable the federal Government to take definitive and strong action to deal with this great ogre which threatens the Western world.

Hon. Mr. Roebuck: May I ask the honourable senator if the Government has power to control the amount of money in circulation?

Hon. Mr. Connolly (Ottawa West): There is certainly no question that it has. I would defer to Senator Roebuck in matters of monetary policy and power because he is an expert in that field and I am an amateur. Monetary policy can affect the development and spread of the contagion of inflation. Whether it can do so fully and effectively without the control of wages, prices and profits, is perhaps a matter of conjecture. Monetary policy can give a lead and perhaps a direction, but in spite of the fact that the Government appears to be attempting through monetary policy to do these

things, prices are rising throughout industry. There is nothing effective in a legislative way that the Government of Canada can do, because there are constitutional limitations.

I commend the Leader of the Government in the Senate for continuing the practice which has been followed here for a number of years. I do not apologize for repeating what I have said before. I remember that for many years appropriation bills would come here near the end of a session, or of a Parliament, and members of the Opposition—my party did it when we were in opposition—could complain that all we were doing was rubber stamping. We did not know what the figures meant. We could not possibly get answers to questions we would have liked to ask about the details of the Estimates. There was simply no opportunity to do so. Justification for the approval that is given by this house has been supplied by the device that the Government leader is now using. I used it when I had the privilege of sitting where he sits now, as did my predecessor. That instrument is the Standing Senate Committee on National Finance, and the great work that has been done by its chairman Senator Leonard.

There is a great deal of know-how in the finance committee, not only on the part of the chairman, but of the Leader of the Opposition, and Senator Grosart, who is a hard-nosed critic on financial matters, and others who do their home work. We question in a very definite and succinct way the minister and the officials on specific items. I am heartened to see the kind of responsible questioning that takes place in that committee, regardless of party lines. It is a responsible kind of inquiry by a second chamber designed to give second thought to legislation.

I admit that we cannot change the figures in the Estimates, either upwards or downwards. We certainly cannot increase them, and if we decrease them I am sure the Leader of the Government would have to say, as I can remember even Senator Aseltine having said, and as I said myself, that we cannot do it because it would interfere with ways and means. Now under this system Senator Flynn was able last evening to refer to the report made by the Standing Senate Committee on National Finance, under its Chairman, Senator Leonard, which outlined the kind of explanations given, and in particular the reasons for the $1 items, a matter which at one time caused much concern to the late Senator McCutcheon.

Today we are approaching this somewhat overwhelming problem, namely, expenditures reaching the proportions of box-car figures, with some assurance. Even the supplementary Estimates are $91 million, which is more than the total budget of the Government of Canada not very long ago. The country is expanding, the population is growing, government revenues are increasing and, of course, we can expect the Estimates to go up. As long as we have the opportunity to examine what is happening and recognize the trends, then we are not sitting here in the dark, rubber-stamping appropriation bills.

I think all honourable senators are pleased to see a short summary of the amounts that have already been voted in earlier appropriation acts this year, amounts that are statutory, amounts that have to be voted, and amounts involving payments from the Old Age Security Fund. In other words, I think our approach to appropriation bills is becoming more enlightened. I believe that is not only a credit to the Senate, but also a source of satisfaction to ourselves.

Hon. Donald Cameron: Honourable senators, this may be an appropriate occasion to ask a question, perhaps directed to the Standing Senate Committee on National Finance.

It will be recalled that two years or more ago there was a good deal of comment about taking the ceiling off interest rates, on which there were arguments pro and con. After discussion in the other place and in this house, it was agreed to remove the ceiling on interest rates. There were suggestions that if the ceiling were removed interest rates would find their own level, and there might even be a reduction in the rates being charged.

We know what has happened to interest rates in the past two years. They have been at an all-time high, and there is no indication that they will be lower. The banks, in their financial statements for the year ending 1968, if I am accurate in my memory, show that profits were at an all-time high. Two nights ago the press reported that the profits of the banks were again at an all-time high for the year ending October 31.

Now, I wonder what steps we are taking and what we can do to examine the extent that these profits are contributing to inflation today. I think it is time we took a look at this situation. There is a rising tide of unrest and dissatisfaction, particularly in western Canada, about the high interest rates, high freight rates, and matters of a related nature. I would suggest, honourable senators, that

this may be an item at which the finance committee, in its wisdom, might take a deeper look and report back to this chamber.

Hon. Hartland de M. Molson: Honourable senators, I intended to say a word about this bill before Senator Cameron spoke. I am going to say that word, but I am also going to say something to Senator Cameron.

I presume it is generally known that I am a director of a bank. Therefore, I shall declare my interest at this point, and I would like to deal very briefly with a couple of points raised by Senator Cameron.

First, the profits and the volume of business and assets of the banks are unquestionably enormous. I am sure that even those associated with banks are surprised to learn that they are so large. A person who deals with figures can appreciate that when the basis is changed from year to year a completely different result is obtained. In the course of the last year the reserve basis of the banks was changed, with the result that the banks did not put into reserves the sums put into them in years gone by. This meant that those amounts immediately came into their profits, which I will say right away were also very high. It is rather interesting to note that it also meant that the federal treasury benefited by perhaps a more than doubling of the income taxes paid by the banks last year. This amount did not, therefore, accrue to the shareholders. In large measure, apart from the increase in the volume of business, it was occasioned by the fact that the basis of reserves was changed during the year. If I remember correctly, the bank with which I am associated is paying $41 million in income taxes this year against $17 million the year before. This is the measure of change in that respect.

My other point concerns interest rates. I am sorry to think that perhaps Senator Cameron has had the same experiences that I have had. He must have been in a bank recently, because he seems a little discouraged about the rates, as I believe we all are. Interest rates are unquestionably having an effect on business. Nobody can deny that they have an inflationary effect, but this is an area in which Canada has absolutely no freedom. Interest rates in Canada have risen enormously. Everybody thinks they are too high, but I suggest that they look around the world to see what has happened in areas of traditionally low-cost money, perhaps lower than Canada.

[Hon. Mr. Cameron.]

All of us have heard it said, even in this chamber, that Canadian bank rates and interest rates are too high, that if you go across to the United States you will find that the prime rate there is about 1 per cent or 1½ per cent lower. It has been explained from time to time that American banks have a habit of asking for a compensating deposit of 10 per cent or 20 per cent of the amount of the loan, which affects the real rates of interest and makes them closely approximate Canadian rates. Historically, American rates, without taking into account the compensating deposit, have been lower, and at times considerably lower, than Canadian rates. Today—and this is one of the few times in history—they are on a par with Canadian rates. In Canada we say we are unhappy about our rates, but how can we possibly relieve that situation, sitting as we do beside a country of the dimensions of the United States? For the first time, our rates are the same as theirs; they are not higher.

In Europe, Eurodollar rates today are up, varying with the term, from about 9½ per cent to 11 per cent; and, as you know, the prime rate here is 8½ per cent.

Look at what the federal Government pays to borrow money and what the provincial governments and provincial hydro commissions pay for money. Hydro Quebec borrowed money just the other day at 9.88 per cent. It is an alarming rate, but you cannot suggest the banks are to blame for that. This is part of the condition of tight money—high interest rates throughout the world. I personally think they are most undesirable and almost shocking, but I do not really feel that we can beat our chests and say that in Canada we have any opportunity to correct that situation—I wish we had.

Hon. Arthur W. Roebuck: May I ask the honourable gentleman a question? When he speaks of high interest rates, has he taken into consideration the fact of the fall and the prospective fall in the value of money with which borrowing will be repaid? Our experiences for the last few years have been a reduction in the value of the dollar by 4 or 5 per cent, or perhaps more at times—certainly about 5 per cent. Therefore, if money is borrowed and repaid at the end of the year, the money that will be used to repay will be worth 5 per cent less than the money was when it was borrowed.

If you take the 8 per cent interest rate being paid on present Government borrowings and deduct the 5 per cent decrease in the

value of the money during the year, you will get a rate of only 3 per cent. Have you considered that when you say that the interest rates are high?

Hon. Mr. Molson: I have considered these things, senator. There are an enormous number of factors, and I listened with great interest to your speech the other day on what is happening to our money. What you said is so tragically true. Nowadays, nobody repays precisely what they borrow. They repay sometimes with a 10 per cent discount. At the rate things have been going recently, on the longer term, it is more likely to be a discount of 20 per cent or 30 per cent.

I think inflation unquestionably has a bearing on the high interest rate. What I really was touching on, in particular response to Senator Cameron, was the fact that this is so universal that no matter how undesirable, we simply have no opportunity in Canada of correcting it. I am sure that if someone were to come up with a suggestion of how it could be done, people would be prepared to tackle it. So far, suggestions have not come forth.

Honourable senators, in regard to the Appropriation Bill, I would call your attention to the fact that in these last Estimates we are really dealing with the application of more funds—roughly, $25 million—than appears on the surface.

As has been so well explained by both the Chairman of the Finance Committee and by Senator Grosart, the new money amounts to $66 million. In addition to that, there is approximately $25 million that has been realized from programs which have not been carried through. Therefore, those allocations become available. That gives us the figure of $91 million. Unfortunately—I say unfortunately in the sense that it confuses us a bit—there is another sum involved in this, namely, the Loans, Investments and Advances item, $24,760,002. That is almost another $25 million. So there is $66 million of new money, and $25 million which fortunately has been saved to be used again, as set forth in the supplementary estimates. In addition to that there are sums which aggregate roughly $25 million. They are put under this heading of Loans, Investments and Advances, although the number of repayments is very small. They are sums which will be expended under this other heading of Loans, Investments and Advances. In effect, what is being done is the direction of the spending of $91 million, plus $25 million of loans—which adds up to $116 million.

Hon. Malcolm Hollett: Honourable senators, I never have understood the meaning of the so-called White Paper which the Honourable Mr. Benson issued a few days ago. I would call it a "black paper", and it is very black.

Honourable senators, I happen to have in my desk a document covering the Estimates for 1967-68, two years ago. The total, including the payments from the Old Age Security fund, then was $11,546 million. Compare that with what you have before you today of $14,-318 million. That is an increase of $2.7 billion, in two years, in the expenditures of this country.

I would like to know why we are spending so much money. No one has brought out the particulars. I can find out if I look it up, but I ask now why have our expenditures gone up by $2.7 billion in two years? What is the cause of it? It is not the Old Age Security Fund—$1,760 million this year, and in 1967 $1,432 million, a difference of $328 million. I would like the honourable sponsor of the bill to give us some information about the increase of $2.7 billion, and how it is made up. I know it takes time to look it up but I wish he would give us the information.

Hon. Allister Grosart: Honourable senators, I had my say on the supplementary Estimates yesterday evening and will not detain the Senate very long with my remarks now. These arise very largely because of this interesting figure of $91 million which appears in the supplementary Estimates we have before us. It so happens that I mentioned that figure yesterday as the actual figure we were being asked to vote. It is purely coincidental that the figure of $91 million here is the same, as Senator Molson has pointed out.

There are three categories—first, new money that has to be found for budgetary purposes, $66 million; then, roughly $25 million which is being found within the votes; and on top of that is the $25 million required for Loans, Investments and Advances.

It is purely coincidental that the figure I mentioned yesterday evening of $91 million as the real amount which Parliament was being asked to authorize, is the same as we find in the bill as it stands.

When I first looked at the bill as I came in, I thought my remarks about the importance of full disclosure of the actual amounts had

been taken to heart and that the bill might have been revised overnight. I am sorry to say that that is not so.

Some honourable senators showed some concern yesterday evening when I suggested that the $1 vote items have been used in the past to hide the real intention of spending, and I said deliberately hidden. I think the concern of honourable senators might have arisen from the fear that there was some reflection on the integrity of the public service. I tried to assure Senator Leonard that that was not so. The misunderstanding may have arisen because of the assumption that anything which anybody "hides" necessarily has an opprobrious aspect.

Thinking it over, it occurred to me that probably most honourable senators here have probably already hidden away some Christmas presents. It was in that sense that I used the word "hidden" yesterday evening.

Hon. Paul Martin: Honourable senators, I wish to make one or two comments, particularly about what Senator Flynn and Senator Connolly (Ottawa West) have had to say. They expressed the hope that the Estimates for 1970-71 would reflect the policy announced by the Government for its program of cutting back, its program of retrenchment.

I think it was Senator Connolly (Ottawa West) who said he hoped this would be the case, that they would cut back. I assure Senator Connolly (Ottawa West), and all honourable senators, that the Government has already taken far-reaching steps which will be reflected in the Estimates for the fiscal year 1970-71. The Government has been engaged for many weeks during the present calendar year examining the Estimates of all departments. I know of only one area where a government department has not been affected. That is in the field of external aid, where the total amount allocated is actually on the increase, even though, as Senator Grosart pointed out the other day, this does not mean that the Government is maintaining the position the previous administration asserted, namely, that by 1970-71 its external aid would reach 1 per cent of the gross national product.

However, this is a digression. The important thing is that every department in the Government of Canada will show in the Estimates for 1970-71 the results of a careful effort to bring expenses to the point where they are more in keeping with the current fact of inflation.

[Hon. Mr. Grosart.]

Hon. Mr. Grosart: Would that include the Prime Minister's office?

Hon. Mr. Martin: The fact that some personnel have been added to the office of the Prime Minister is not in any way inconsistent with what I am saying. The obligations of Government are growing more complicated. The fact that there has been an increase in the personnel of the Prime Minister's office is reflected by the highly efficient way in which that office is now discharging the duties assigned to the first minister.

Hon. Mr. Choquette: With the approval of the Members of Parliament, do you think?

Hon. Mr. Martin: Well, governments cannot always get 100 per cent approval. I know this Government would have the approval of Senator Choquette. It is not to be expected that every Member of Parliament will fully concur in everything the Government does.

If there is any doubt about the consequences of the Government's program of retrenchment, let me say that the program will be reflected unmistakably in the Estimates for the next fiscal year. For example, in the Department of External Affairs this is reflected in the reduction not only of programs and missions, but in the reduction of personnel. And may I say that the decision in that area was a very difficult one indeed. It will be reflected in the fact that the Estimates of the Department of National Defence, for example, are frozen at the level of last year.

Hon. Mr. O'Leary: Would this be reflected in the expenditures of the Canadian Broadcasting Corporation and the loans with which you cover their costs?

Hon. Mr. Martin: It will be reflected in the fact that the Canadian Broadcasting Corporation will operate under a budget not higher than its budget of the previous year.

The Department of National Defence is frozen, as I say, at the level of last year—$1.8 billion. The reduction by half of our military commitment to NATO in Europe reflects a budgetary consideration, which also was not an easy conclusion to reach. The elimination of military bases all over the country is a reflection of the Government's program of retrenchment. There are a significant number of government establishments in Canada in which in some way or other, partially or entirely, programs and services are being eliminated because of this program of retrenchment.

Why is the Government doing this, particularly when, as Senator Hollett pointed out a few moments ago, our Estimates are up over what they were three years ago?

Hon. Mr. Hollett: Two years ago.

Hon. Mr. Martin: And three years ago. It is because in the meantime we have been confronted with a serious problem, as we were reminded by Senator Connolly (Ottawa West), of a rise in prices which affects the Canadian community. One of the elementary ways in which to deal with inflation is to curtail expenses and expenditures. It is not the only way, but it is an important way. We must cut our cloth accordingly. That is what the Government is doing.

I may say—and I hope that this will not be regarded as a political observation, because it is not intended to be—that I have not seen any prime minister approach with such determination this particular problem of cutting down. I have never seen anyone do it as effectively—in fact, almost ruthlessly—so impressed is the Prime Minister, as is the Government, with the severity of the problem. It is a problem not of our making alone; it is a problem that is not to be found only in Canada; it is, as Senator Molson said, a problem that exists all over the world, particularly in the western world. It is a problem about which we have to try to do something; and, in the particular way I have mentioned, through the Government's program of retrenchment, we are trying to do something significant about it.

The Government expenditures in Canada had risen to a point where we had to do something. But, if this is the case for the federal Government, it is also the case for all governments in Canada. We cannot legislate for governments in the provinces or municipalities. In the examination of this problem it is right that we should recognize that the level of increase of expenditures in the provincial governments is higher than the increase in federal expenditures.

Hon. Mr. Connolly (Ottawa West): And absolutely, too.

Hon. Mr. Martin: And absolutely, yes.

Hon. Mr. Flynn: Surely that is going a bit too far, I suggest. It may be that the responsibilities of the provinces have been increased more than those of the federal Government. This is a factor which the honourable Leader of the Government should take into account before saying "absolutely."

Hon. Mr. Martin: I think that is a debatable statement. I say to my friend with great respect that I recognize that the obligations of the provinces have increased. Of course they have. And perhaps some of them have increased as a result of initiatives which the federal Government has taken. Medicare is a good example. It resulted from the initiative of the federal Government. I, for one, do not apologize for that initiative. Another example is in the field of hospital construction, which has proved of great benefit to all Canadians.

Hon. Mr. Flynn: You are talking on both sides of the question now.

Hon. Mr. Roebuck: Senator Hollett said that there has been an increase of $2.7 billion in two years. Would there have been any increase at all in constant dollars?

Hon. Mr. Martin: I think so. We have, for example, the medicare program and the increase in salaries for public servants.

Hon. Mr. Roebuck: But that has all been influenced by the fall in the value of the dollar.

Hon. Mr. Martin: That is true, but I still have no doubt that there has been an increase as a result of the programs initiated by the Government.

Hon. Mr. Hollett: Thirty per cent.

Hon. Mr. Martin: However, there is another side to it. Senator Hollett pointed out the increase. He failed to point out the increase in the gross national product. I remember that in 1945 the gross national product of Canada stood at $5 billion. Now it is true that in the meantime our expenses have risen considerably, but our gross national product today, being some $80 billion, is equal to that of India, a nation of 500 million people. So, honourable senators, while we have these additional burdens, we have paralleling them the tremendous economic growth of the nation.

Senator Connolly (Ottawa West) said he hoped there would be retrenchments. I agree. I have given an indication of the Government's efforts at retrenchment. I have mentioned the level of expenditures of other senior levels of government. Is that all that can be done?

When Professor Galbraith was here some days ago he said that we should resort to a system of controls. I was rather surprised that he said that because, as a former Canadian, he must know the nature of the Canadian constitution. As Senator Connolly (Ottawa West) pointed out, it is not possible, because of property and civil rights enumerated in section 92 of the British North America Act, for the federal Government to embark upon a program of price controls or of controls of any kind except under the War Measures Act, which can only come into existence in time of war. The Government can take some other steps. There is the possibility of further programs for the control of credit. I am not saying that these are about to be embarked upon. The Minister of Finance mentioned a few days ago this is one of the areas where action could yet be taken.

The federal Government has been meeting in conference with the provinces for two and one-half days. It has been agreed that there will be a federal-provincial conference on non-constitutional matters in February, when an effort will be made to discuss some of the very problems raised here today. The aim will be to see whether a concerted effort can be made to meet some of the problems that understandably agitate Senator Cameron and others. I doubt very much if it is possible to envisage the realization of a system of controls which could be legally implemented only with the consent of every one of the ten provinces.

In any event, honourable senators, I have risen to assure honourable senators that the Government has taken this matter seriously. Its program of retrenchment will be reflected in the Estimates to be presented to Parliament for the fiscal year 1970-71.

Hon. Mr. Langlois: Honourable senators—

The Hon. the Speaker: I must inform all honourable senators that if honourable Senator Langlois speaks now it will have the effect of closing the debate.

Hon. Mr. Langlois: Honourable senators, I merely wish to avail myself of the opportunity to join honourable senators in the general tribute paid this afternoon in connection with the excellent task performed by the chairman and members of the Standing Senate Committee on National Finance. To this tribute I wish to add my personal gratitude as a regular sponsor of measures such as the bill presented to you today. The work of that committee renders my task much easier. With the report of the committee available to me, it is a pleasure to present measures of this kind.

I also wish to point out for the benefit of those who are not at present in the chamber and who may read our debates, that the present bill which was originally introduced in mimeographed form has now been distributed in both mimeographed and printed form. Those outside this chamber will know that we have not given consideration to this bill without having it before us. I also wish to thank all honourable senators for having allowed me to proceed with my opening statement when the bill in its final form had not as yet been distributed.

Motion agreed to and bill read second time.

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

Hon. Mr. Langlois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report of the Canadian Committee on Mutual Funds and Investment Contracts, a Provincial and Federal Study dated 1969.

QUARANTINE BILL

REPORT OF COMMITTEE ADOPTED

Hon. Donald Smith, for Senator Maurice Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill S-12, to prevent the introduction into Canada of infectious or contagious diseases, and had directed that the bill be reported with the following amendments:

1. Page 2, clause 5, paragraph (c), line 37: Strike out "in a quarantine area".

2. Page 3, clause 7, subclause (1), line 17: Immediately after the word "vermin", strike out "that may be carriers" and substitute "or insects that may be carriers or causative agents".

3. Page 5, clause 8, line 35: Immediately after paragraph (b) of subclause 3, clause 8, add the following:

"(4) Notwithstanding anything in this Act or the regulations, a person described in subclause (2) shall not be requested to submit to being vaccinated against any infectious or contagious disease if

(a) it is apparent to the quarantine officer that such person should not be vaccinated; or

(b) the quarantine officer has been informed that there are medical reasons for such person not being vaccinated and is of the opinion that such person should not be vaccinated."

4. Page 6: Strike out clause 10 and substitute therefor the following:

"10. Where a quarantine officer believes on reasonable grounds that a person arriving in Canada from a place outside Canada is infested with vermin or insects that may be carriers or causative agents of an infectious or contagious disease, the quarantine officer may disinfest that person, his clothing and baggage."

5. Page 7, clause 14, paragraph (b), lines 7 and 8: Strike out "in a quarantine area".

6. Page 8, clause 18, subclause (1), lines 20 and 21: Strike out "paragraphs (a) and (b) of".

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

Hon. Mr. Smith: Honourable senators, in order to meet the convenience of one of our colleagues opposite in particular, and perhaps others, with leave, I move the adoption of the report now.

Before we proceed to consider the adoption of the report, may I say that this report relates to Bill S-12, which I recently had the honour of presenting on second reading. It was given second reading and was subsequently referred to the Standing Senate Committee on Health, Welfare and Science. We spent a lengthy period of time considering the bill, as was indicated we might when we listened to the remarks of Senator Sullivan during the debate on second reading. In order to give both the legal and medical representatives of the Department of National Health and Welfare an opportunity to study the remarks made in the chamber by Senator Sullivan and also certain proposals which were put forward at the committee meeting, the committee did not come to a final conclusion at the first meeting, but met again this afternoon an hour before the Senate was called into session. As a result of the committee's having come to definite conclusions, I am able to present this report this afternoon on behalf of Senator Lamontagne.

The amendments are rather lengthy. In summary, I would say they delineate more specifically the powers of the quarantine service, with which the bill concerns itself. It also includes an amendment—perhaps it is the most important of all—which reduces the hazard of compulsory vaccination for persons for whom such would be contra-indicated either for medical or other health reasons. There were some consequential amendments, as is usual in such cases, and one or two for further clarification.

That is all I have to say on the matter. I anticipate my colleague on the other side will deal with the more complicated medical aspects.

Hon. Joseph A. Sullivan: Honourable senators, I wish to take this opportunity of thanking the chairman, all the members of the committee and the departmental officials who listened to the suggestions and the proposed amendments, and who came through with a high degree of unanimity in accepting these proposals. As all honourable senators know, they were made in the interests of Canadians as a whole and particularly from the medical aspect.

There are two points I would like to stress. One amendment reads:

Page 5, clause 8, line 35: Immediately after paragraph (b) of subclause 3, clause 8, add the following:

"(4) Notwithstanding anything in this Act or the regulations, a person described in subclause (2) shall not be requested to submit to being vaccinated against any infectious or contagious disease if

(a) it is apparent to the quarantine officer that such person should not be vaccinated; or

(b) the quarantine officer has been informed that there are medical reasons for such person not being vaccinated and is of the opinion that such person should not be vaccinated."

I think that clarifies the question Senator Roebuck asked in committee, and it also puts the department in better position. For example, if an individual travelling on a plane or in some other conveyance had an infectious disease such as typhoid fever or smallpox, they would request that that individual be

vaccinated. He would not have to be vaccinated but, within the discretion of the quarantine officer, he could be detained for a period of time. This also includes the diseases I enumerated. If a person were travelling and had a cardiac condition, or rheumatoid arthritis or a similar condition, and was on the steroid drugs, that person would be ill-advised to be vaccinated, and would have a certificate from a medical man in that respect. I think that is the most important amendment to the bill.

One other amendment I should mention reads as follows:

> 4. Page 6: Strike out clause 10 and substitute therefor the following:
>
> "10. Where a quarantine officer believes on reasonable grounds that a person arriving in Canada from a place outside Canada is infested with vermin or insects that may be carriers or causative agents of an infectious or contagious disease the quarantine officer may disinfect that person, his clothing and baggage."

You cannot disinfect a person unless you kill him. The word "disinfect" appeared in the proposed amendment, but we removed it and substituted the word "disinfest".

I highly commend passage of this legislation to all honourable senators.

Hon. Arthur W. Roebuck: Honourable senators, I would like to acknowledge the great contribution made not only to the improvement of this bill but to our general knowledge of the entire subject by Senator Sullivan. His contribution was substantial, not only in connection with the bill itself and the amendments which were adopted on his suggestion, but also from the point of view of the hope he gave us.

It seems that when a sufficient number of people have been vaccinated and a sufficient proportion of the population is immune to the extent that the vaccination does immunize, the time will come when we will all become immune. So there is hope that the time will come—and may it be shortly—when compulsory vaccination of everyone leaving the country, even for a short visit abroad, will no longer be necessary. I look forward to that time, not because I would depreciate the value of vaccination but the reverse, because it may have the quality of immunizing the entire population, and the interference with the liberty of persons will no longer be necessary. I thank you, Senator Sullivan.

Report adopted.

[Hon. Mr. Sullivan.]

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

Hon. Mr. Smith moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

OFFENCES ON AIRCRAFT

RATIFICATION OF CONVENTION DEBATE ADJOURNED

On the Notices of Inquiries:

Hon. Paul Martin: Honourable senators, with leave of the Senate I call the attention of the Senate to the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo, September 14, 1963, and ratified by the Government of Canada on November 6, 1969.

It will be recalled that I tabled this convention in the Senate on December 2, 1969.

The Hon. the Speaker: I understand that the Government Leader wishes to proceed with this item now. Do I understand that leave is being granted?

Hon. Senators: Agreed.

Hon. Mr. Grosart: Would the honourable Leader of the Government explain to the Senate why he finds it necessary to ask for leave?

Hon. Mr. Martin: I do not know whether it is necessary but, knowing the alert manner in which Senator Grosart follows these matters, I think that this is the safest way to proceed. I say this in a kindly way. He is emerging as the champion of our rules. It is good that this is so, because rules were meant to be observed. I consulted Parliamentary Counsel, who advised that it would be a safe way in which to proceed. If it is unnecessary to ask leave, I am sorry that I have taken up the time of the Senate. I would like Senator Grosart's advice, which he might convey to me privately after the session today.

Under our system of government, in international law and consistent with domestic law, the obligation arising out of any contractual obligation, by way of treaty or convention with another power, rests with the executive arm of government This does not mean that the executive has no responsibility to Parliament or to the people. Indeed, its foreign policy or any obligation that it has

undertaken must always bear the approval of Parliament, in general terms or specifically. This question was raised some time after World War I, when the practice was developed of the Government undertaking to submit all major treaties to Parliament. In 1922 or thereabouts a modification in this practice was observed. This caused only major political contractual obligations to be tabled in Parliament to receive approval either before or after ratification. Commercial arrangements would be tabled in this way.

Indeed, one Prime Minister said that he would not agree to the ratification of any political treaty of a major kind without first having obtained the consent of Parliament. Parliament's time these days is taken up with many matters and the situation has developed, as I well know, of there not being enough time in one of the Houses of Parliament for discussion or for a record beyond the mere tabling of international obligations incurred by Canada. Having talked this matter over with the Leader of the Opposition, I believe that in the Senate, after the tabling of a document which involves a contractual obligation by Canada with another country or countries, an explanation should be given and comments made on that explanation by honourable senators, should they be so disposed.

With regard to major treaties, such as the North Atlantic Treaty Organization and our obligations under the charter of the United Nations, a government would be wise, even before ratification by executive act, to obtain the approval of Parliament. This is by way of preliminary observation. I wish to offer an explanation concerning the convention signed by Canada in Tokyo in 1963, ratified by the Government of Canada on November 6, 1969, and tabled in the Senate on December 2, 1969.

Hon. Mr. Grosart: Would the honourable Leader of the Government permit a question? Agreeing entirely with his general proposition that a document of this type should be debated in this chamber, would he consider it advisable to withhold his explanation until the senators have the document before them?

Hon. Mr. Martin: The document was tabled on December 2. I have no reluctance in deferring my comments now. The convention is available for senators to examine. I think it is a reasonable request, and I will recognize it at once. I will proceed on Tuesday.

Hon. Mr. Grosart: My intention was not to suggest that the honourable senator might not proceed now. I was speaking rather to the principle. If the honourable senator wishes to go on now, it will certainly not be the first time that we have heard discussion on a document that was not before us. I would suggest that in the future it would be wise for us to have the document and to be advised that at this point in our proceedings it will be discussed.

Hon. Mr. Martin: I want it to be clearly understood that the document is tabled. It was tabled on December 2, 1969. The reason I delayed making a statement at that time was so that honourable members would have a chance to examine the treaty and be prepared for discussion. I am so anxious that this practice be established that I think I would prefer not to go on with my statement, but give honourable senators an opportunity to look at the convention and, if they wish, to comment on it. I would prefer to do that rather than go on today.

I feel that there are obligations of varying import made by governments in our busy, complicated world. To table conventions without comment seems to me undesirable. I found this particularly so when I was in the other place as Secretary of State for External Affairs. It was just not possible because of the planning of the program of Parliament to rise from time to time to make explanations of documents involving commitments made by Canada on important matters. Some matters must obviously, in the nature of our constitutional custom, be discussed by Parliament, even before ratification, there being no obligation on the part of the executive to delay ratification until it has received the approval of Parliament. Parliament always has the right to express its view on foreign policy. It may register its opposition to a particular treaty after it has been ratified. But in important matters, I think the course being followed by the present Government is the correct one.

I thought that in the Senate, where we have admittedly more time, where it was desirable that Parliament should be seized with such matters, we might develop the practice, which I hope we might begin, if not today, then by way of formal explanation next Tuesday night.

Hon. Mr. Haig: If the Leader of the Government tables a document on, say, December 2 and intends to make a statement on it two

or three days or a week later, could he not request that the document be printed as an appendix to *Hansard*? Then we would know he would be speaking to it on December 10, and we would have some opportunity to study it.

Hon. Jacques Flynn: I think there may be some confusion here. The tabling of a document may be the occasion for the Leader of the Government and other members of the Senate to comment upon it. I think what the Leader of the Government has in mind is a new role for the Senate in matters concerning international treaties, Perhaps the present debate would not be limited to this convention, which was, as he said, ratified by the Government two or three weeks ago, but also on what in future the Senate should do about such treaties or conventions, how the Senate should deal with them, whether the Senate should refer them to the Standing Senate Committee on Foreign Affairs, so that we have some kind of ratification by the Senate in cases where Parliament as a whole is not called upon to ratify a treaty. These are the questions the Leader of the Government has raised, and they are distinct from the immediate problem of this convention, which deals with "hijacking", and other matters.

In order to try to adjust our guns and dissipate confusion, perhaps the Government Leader could adjourn this item until next Tuesday, when he could make a formal motion to refer the question of the ratification of treaties to the Standing Senate Committee on Foreign Affairs, and at the same time deal with this item. I do not think the mere tabling of a document is in the ordinary course of our business something so important as to require long prior notice.

Hon. Mr. Martin: I thank Senator Haig for his suggestion. I think it is a good one. There might be some occasions when a treaty would be so voluminous as to make its printing impractical. However, treaties are not usually of that character. I should think that when a treaty or convention is tabled we might well ask that it be made part of our daily record. It would then be available to all honourable senators.

Hon. Mr. Haig: It would also give notice that you intend to speak on it three or four days later, or on a certain day.

Hon. Mr. Martin: That is correct.

[Hon. Mr. Haig.]

I think the suggestion of the Leader of the Opposition—which he made to me privately and which I had forgotten—that we might send these documents to the Standing Senate Committee on Foreign Affairs for tabling by them, or for consideration, depending on their desire and their work program, is a good one. However, I would like to make clear that there is no obligation on the part of the Government of Canada to obtain the consent of Parliament before it ratifies a convention or treaty.

Hon. Mr. Flynn: I know that. I was suggesting that it would be interesting to study in committee what is our practice, why it is like that and whether it should be changed.

Hon. Mr. Martin: There is, of course, an obligation on the part of Parliament to consider, either by way of acquiescence or directly, a commitment which the Government has made on behalf of the nation.

I thank the Leader of the Opposition for his suggestions. I think we might observe them. With this in mind, I will withhold the brief comments I was going to make until Tuesday next.

We have not really met the point made by Senator Haig in this particular case. Would it be agreeable to incorporate the convention in today's *Hansard,* so that all honourable senators would have it for scrutiny before Tuesday next?

Hon. Mr. Flynn: Or in the *Minutes of the Proceedings.*

Hon. Mr. Martin: You would prefer it in the *Minutes of the Proceedings*?

Hon. Mr. Flynn: Yes. It is a document tabled.

The Hon. the Speaker: Honourable senators, may I be permitted to add a few words to clear up this apparent misunderstanding?

When I called Notices of Inquiries, the Government Leader rose to speak on a certain matter. On Notices of Inquiries, under Rule 44(2) two days' notice is required. I would suggest that in future if any honourable senator wishes to speak on a certain matter, that when I call Notices of Inquiries he should mention that it is his intention to speak on that matter. Rule 44 would then apply and it would come up for debate two days later, unless of course it was a matter of urgency. But, notwithstanding Rule 44(2), honourable senators can by unanimous consent discuss a matter without notice.

Hon. Mr. Martin: Thank you, Mr. Speaker.

Honourable senators, Senator Flynn proposed that instead of this being printed in *Hansard,* that it be printed in the *Minutes of the Proceedings.* I have no objection to it being in *Hansard,* but I will abide by the opinion of more experienced senators.

Hon. Mr. Flynn: It is because you have tabled the document. You are withholding your comments until next week.

Hon. Mr. Martin: Then I ask that it be printed in the *Minutes of the Proceedings.*

The Hon. the Speaker: Notice has been given by the Government Leader that this matter will be discussed at the next sitting.

Hon. Mr. Martin: Yes, next Tuesday.

The Hon. the Speaker: Is it also agreed that the order be given to print the document?

Hon. Mr. Flynn: Yes.

UNION STATION

RENOVATION OF BUILDING—QUESTION

Hon. Edgar Fournier: Honourable Senators, I wish to ask a question of the Leader of the Government. It will be recalled that in 1964 we authorized the National Capital Commission to relocate the Union Station at a new location east of Ottawa. That debate lasted almost three months, and there were many pros and cons. One of the main arguments given in the debate—and I recall it as if it were yesterday—was that the site of the old Union Station was needed for other purposes. We were also told that the relocation of the station would eliminate a number of railway crossings. I found out later that between the old and the new sites, there was not a single railway crossing.

I mention this in explanation of the question I shall ask. I understand that the reason for moving the old Union Station was because they needed the space. This was repeated many times. I now find that in 1969 the old station is still there and has been rejuvenated.

My question has four parts:

1. Did the federal Government make any expenditures toward the renovation of the old Union Station?

2. If yes, what was the total amount spent?

3. Under what authority was it done and who recommended it to be done?

4. Who is now the owner of this building?

Hon. Mr. Martin: Honourable senators, this question about the old Union Station cannot be asked, nor can it be responded to in part without some emotion about the old landmark. I am sure Senator O'Leary, with his love of history, likewise feels some emotion when he thinks about the old station and other institutions in the city where he has lived so long.

The Federal-Provincial Conference has been held during the past three days in that building, which has been renovated at a cost of approximately $600,000.

Hon. Mr. Roebuck: I think it was $625,000.

Hon. Mr. Martin: Senator Roebuck points out that it was $625,000. The work was done by the Department of Public Works pursuant to authority given to the Minister of Public Works. I may say, as I sat in this building listening to the provincial premiers and others during the past two and a half days, I recalled to mind a day when I came to Ottawa from Pembroke at the beginning of the summer holidays. I was trying to get a job from Senator Grattan O'Leary, on the Ottawa *Journal,* to enable me to meet part of my expenses for the college year at St. Alexandre's College.

The fact that the honourable senator has asked this question has forced me to say that that historic building is one with which many of us in this chamber are not unfamiliar. I do not know whether I have answered completely. I am asked under what authority. It is true that when the railways did move out it was intended to be used for other purposes. I will give a more specific reply in those areas to which I have not been able to respond. I assure the honourable senator that if he goes to see the building, as Senator Flynn has, he will see what a tremendous renovator my colleague, the Minister of Public Works, has proven to be.

Hon. Mr. Fournier (Madawaska-Restigouche): I do not want to open a debate. This is not my point. I agree with some of the things you have said, but not all of them. My point was that there was an urgency to demolish this building. This is what I wanted to know yes or no, and why.

Sometimes I feel that too often we are taken for granted and this is an example. I

shall remember the two railway crossings which were not there. I think it is a warning to us that when we face such a situation we should make sure of what we are doing.

Hon. Mr. Martin: I will give a good, airtight reply on Tuesday.

JUDGES ACT

BILL TO AMEND—SECOND READING

Hon. J. Harper Prowse moved the second reading of Bill C-2, to amend the Judges Act.

He said: Honourable senators, this is a very simple bill to explain and I will try to keep it that way. It provides merely for the appointment of two judges to the Supreme Court of Alberta, five judges to the County and District Courts of Ontario, and one judge to the District Court of Alberta.

The part in which you may be interested and which I think is important at this time is this: As you know, the authority for the vacancies is provided by provincial legislation, but the actual provision for the appointment for salaries is federal. The order in council providing for the appointments for the payment of district court judges in Alberta was passed February 11 of this year. The arrangement for the increase of two more appointments to the Supreme Court was made on April 21, and royal assent was given to the Ontario legislation to provide for the five additional judges which they need on March 26. It has been certified in the other place by the Minister of Justice that investigations by his department satisfy him that these are necessary. As a senator from Alberta, I can tell you that we need the extra judges there to get the business done.

Honourable senators, I do not propose to move that this bill be sent to a committee but rather, if it is given second reading today, I shall move, with leave, that it be given third reading.

Hon. Walter M. Aseltine: Honourable senators, as has been stated by the sponsor of Bill C-2, an act to amend the Judges Act, it appears to be a very simple matter. It occupies only part of one printed page. Even though it is a comparatively simple matter, it is nevertheless very important.

From information I have obtained, there is a big backlog of cases on the dockets of the different provinces, which have never been dealt with because we have not enough judges in those provinces. When you read the law reports, you find that cases started three or four years ago are just being dealt with now, and you are reading the judgments. This should not happen in this great country of ours. That is the reason why this bill is before us now.

The Province of Alberta is short of judges. At the present moment there are nine supreme court judges; they want two more; and an order in council has been passed, as has been stated.

The district courts of the Province of Alberta at the present time have 14 judges; they want one more; and an order in council has been passed to provide for another judge.

As far as I know, there are eight district court judges in the northern part of Alberta and six in the southern part; they need one more. This would make a total of 15 district court judges in the Province of Alberta. At the present time eight district court judges reside in Edmonton, four in Calgary and two in Lethbridge. When the additional judge is appointed, they will have seven in the southern part and eight in the northern part, making up the total of 15.

In Saskatchewan we allocate our judges, one to each judicial district, or "judicial centre" as we call them now; but the judges have jurisdiction to take cases in different parts of the province.

The Province of Ontario has 89 county court judges and has given notice that they require five more. That is another reason why this bill is before us. They want four in the County of York and one in the County of Carleton; and Ontario has passed the necessary legislation.

District court judges get $19,000 a year. A supreme court judge in Alberta gets $26,000 a year. They actually do not have that much take-home pay, because the whole stipend that a judge is entitled to is subject to income tax. His take-home pay does not leave him too much money to live on, according to his station in life.

Judges' widows get two-ninths of two-thirds of the judge's salary, which is not a very large amount. It would amount to about $2,600 for the widow of a district court judge and about $3,300 for the widow of a supreme court judge. That is really all the bill is about.

Honourable senators, in order to fill these positions, judges must be appointed. We do not select judges as they do in the United States. There they elect their judges—except

in the Supreme Court of the United States. In Canada our judges are appointed. Quite frequently our judges are chosen from among those who have been involved in politics for quite a number of years. At one time I thought I probably would have been made a judge.

Hon. Mr. Martin: You would have been a very good one.

Hon. Mr. Aseltine: It happened that, instead of being made a judge, I was summoned to become a member of the Senate of Canada. Therefore, we will never know whether or not it was a great loss to the country that I did not become a judge.

Hon. Mr. Roebuck: It has been a gain.

Hon. Mr. Aseltine: I think I have the qualifications, in spite of my political activities—which, by the way, have lasted now for considerably over half a century.

Hon. Mr. Martin: Honourable, but misguided, political activities.

Hon. Mr. Aseltine: Some people say there should not be appointed as a judge a person who has been involved in party politics, either as a Member of Parliament or through holding a prominent position in the organization of a political party. I do not agree with that. I have practised in the courts of Saskatchewan for 56 years. During that time I have on numerous occasions appeared before the district courts and the Court of Queen's Bench, as we refer to our form of the Supreme Court. Never on any occasion have I had any reason to complain of discrimination because the judge in a particular case belonged to a political party to which I did not belong.

All things being equal, therefore, I have no objection whatever to Government supporters being appointed to the bench. I do think, however, that the Minister of Justice, who is responsible for the appointment of judges by the Governor in Council, should take particular care to get the right person to take the office. I understand that the Canadian Bar Association recommends it be consulted, and I know that the provincial bar associations have made similar requests.

Hon. Mr. Smith: Are they not consulted?

Hon. Mr. Aseltine: I understand that the present Minister of Justice does consult with the Judicial Committee of the Canadian Bar Association and with the provincial bar associations, as well as with the members of the bar and even sometimes the members of the bench, before making an appointment.

Honourable senators, I should like to say a few words on the question of the jurisdiction of district court judges and county court judges in respect of divorce matters. We discussed that quite fully when the divorce legislation came before us in 1968. I, for one, advocated giving jurisdiction in divorce matters to both superior and district courts. The reasons for asking district courts to be included should be obvious. It is a question of congestion. In the three provinces about which I know the most, namely, Saskatchewan, Alberta and British Columbia, the courts are congested with divorce cases. In fact, in every province in the west, with the exception of British Columbia, divorce cases are tried in the superior court. In the province of British Columbia, however, there is some arrangement by which the district court judges are given concurrent jurisdiction in order to hear, try, and dispose of divorce matters under the new law.

Perhaps something could be done to alleviate the difficulties in the other provinces by enabling district and county court judges to be given the necessary divorce jurisdiction. I think we must do this, if the backlog of cases is to be dealt with expeditiously.

Honourable senators, I see no reason for sending this bill to committee, unless it is your wish to consider some of the side issues I have mentioned. I hope it is obvious from what I have said that I agree with the legislation. I think it is important and that it should come into effect immediately, or at least as soon as possible, so that these judges can be appointed and take up the backlog of cases which we have in almost every province in Canada.

It is my wish that the bill be given second reading now.

Hon. Harry A. Willis: Honourable senators, I should like to point out briefly that in the last 12 years Ontario has never had a better judiciary than it has at the present time, and this applies to appointments by both governments.

I should also like to pay a tribute to the Minister of Justice who, within the last six months, appointed not a Liberal or a Conservative, but a prominent member of the N.D.P. to the bench. That man is proving to be an excellent judge.

Hon. Arthur W. Roebuck: Honourable senators, I thank Senator Aseltine for the information he has given us and the comments he has made. As far as appointing people who have taken part in political matters is concerned, there are those who hold the view that when a person takes an interest in his country he automatically disqualifies himself from sitting on the bench. I do not go along with that point of view at all. It is most unjust. For example, I heard of a case in England where two men were contending for the appointment; one had never taken part in politics, but the other had. The minister chose the person who had never been in politics, and I thought that that was a great mistake. The person who had been interested in his country, and had spent his time in demonstrating his concern for the welfare of his fellow citizens, was excluded from the bench for that reason.

I am not at all afraid of appointments of people with political experience. I do not care which side of politics they are on.

My friend says he has been at the bar for a very long time; in fact 56 years. I, too, have been at the bar a long time, although not quite so long. I have on the wall of my office a certificate of which I am rather proud, for it declares that I have been in good standing at the bar for 50 years. It is now 52 years. In my experience over that long time I have found that the question of the political party to which one belongs never arises in the course of the business of the courts.

Hon. Mr. Aseltine: That is right.

Hon. Mr. Roebuck: That has been my experience. I have never cared whether I appeared before a Liberal judge or a Conservative judge. I do not think my political affiliation would have made any difference in any case I ever pleaded.

I have had some experience too in presiding, because for many years, as honourable senators know, we decided many, many cases in the committee rooms of this house and the thought of politics never entered our minds. We were the judges of both parties and the question of politics never came up. This has always been the case whether we were judges or advocates. So there is nothing to this criticism of appointing political war horses to the bench.

Another point I will bring to the attention of honourable senators is that the Minister of Justice asks for the advice of the Bar Association and this, in my opinion, is perfectly in order. The Bar Association and its officials keep a comprehensive record, and if there is any reason why a person should not be appointed, it is most important that the authorities should know that reason. A man's good record is a very important factor in the consideration of his qualifications.

My honourable friend who sponsored the bill has suggested that we should pass it now without sending it to a committee. I am quite prepared to agree to that. I am perfectly satisfied that the Minister of Justice knows the need for the additional judges in my own province of Ontario. I know that the number of cases there has grown very great in recent years. It is not long since we appointed additional judges in that province, and I am perfectly satisfied that we need more now. Therefore, I am quite satisfied that the bill should receive third reading now.

Motion agreed to and bill read second time.

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

Hon. Mr. Prowse moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL, 1969-1970

SECOND READING—DEBATE ADJOURNED

Hon. Herbert O. Sparrow moved the second reading of Bill C-157, to authorize provisional payments for the 1969-70 crop year in respect of unthreshed grain in the prairie provinces.

He said: Honourable senators, I appreciate the opportunity given to me to present this bill for your consideration. The measures proposed fill a very great need and will be appreciated greatly by the farmers of western Canada. Its purpose is to enable grain producers to obtain advance payments on unthreshed grain in western Canada.

Basically, this bill extends the provisions of the Prairie Grain Advance Payments Act. On October 30, 1968, I presented in this chamber amendments to that act, and at that time I felt that I had explained in some detail its provisions and its amendments. Therefore, I do not wish at this time to go into great detail in further explanations of the act other than to refer to some of its highlights in relation to the bill before us today.

As honourable senators are aware, where farmers are unable to deliver grain to an elevator on a quota basis because the quota is not open for that delivery, provision is made for the farmers to receive advance payments on farm-harvested and farm-stored grain. The amounts available are based on six bushels per cultivated acre at the rate of $1 per bushel of wheat, 70 cents per bushel of barley, and 40 cents per bushel of oats. The maximum total sum available under the act is $6,000 which would represent 6,000 bushels of wheat delivered to the elevator, which in turn would mean that a farmer, to receive the maximum, would have to have at least 1,000 acres of land under cultivation.

When a farmer delivers grain to the elevator when the quota is open, and assuming that the value of the initial payment for one bushel of wheat is $1.50, the farmer pays back the advance payment on the basis of half that amount or 75 cents as a payment towards his advance, and receives 75 cents in cash. This is equally true with any of the other grains on the same basis, keeping in mind of course that the price is less. He receives half the amount of the initial payment, and half the amount goes to pay his advance. As mentioned previously, the advance payments are interest-free until paid and are extended to the end of the crop year. Total advances under the Advance Payments Act at this particular date are $231,446,136.

As I have already mentioned, the Prairie Grain Advance Payments Act permits advances to be made only on farm-stored grain. The bill before us extends the provisions of this act, in the form of a new act, to unharvested grain, assuming that the Canadian farmer applies for an advance payment on unharvested grain before May 1, 1970. As most honourable senators are aware, the conditions in western Canada this fall have been adverse as far as the farmer is concerned, and there is still a considerable amount of grain in the field, either standing or in the swath, which it has not been possible to harvest. Measures similar to those proposed in this bill were extended to the prairie farmers ten years ago under like conditions.

The amount advanced ten years ago was $1 million. I do not know, so I cannot advise, nor can anyone advise me, as to what can be expected in the way of amounts that may be advanced on this basis until May 1, 1970. I use that figure with the second figure of $271, which represents the total loss experienced by the advance of $1 million to the prairie farmers 10 years ago. With that type of record before them, I am sure honourable senators can be assured that the loss on this type of advance will certainly be minimal.

The advance on the unthreshed grain should not increase the total amount that would have been advanced had the crop been harvested and put in farm storage. Those who require immediate funds now would have required them whether the grain was threshed or unthreshed, so it should not extend the overall amount required for advance payments.

The Prairie Grain Advance Payments Act provides that a farmer may borrow up to $6,000 as an advance on his crop. The provisions in this bill permit $3,000 to be borrowed under the Advance Payments Act on threshed grain and $3,000 on unthreshed grain. In fact, this bill alone permits an advance payment of only $3,000 on unharvested grain. So, in fact, if a farmer has a previous year's crop or would have threshed some of that crop, he can borrow up to $3,000 on that and $3,000 on the unharvested portion.

Honourable senators, I feel there is some urgency in passing this bill, urgency on the part of the prairie farmer who is finding himself in a pinch with respect to operating capital. I do not wish to go into detail concerning the problems of the western farmer at this time because I believe most of you are aware of them, and I certainly know you are all sympathetic towards the farmer.

Hon. Mr. Fournier (Madawaska-Restigouche): Have we any hope of salvage on this unthreshed grain, or are we paying advances on something that might not be saved?

Hon. Mr. Sparrow: I believe the gamble is good. We have had previous experience—as I mentioned, 10 years ago—with crops in the same condition being taken off the following spring in good condition. Almost every year in the western provinces a portion of the crop is left in the fields because of adverse weather conditions and is taken off, normally without damage, the following spring. Last year the farmers were in desperate need of money when conditions were similar to those being experienced this year, and in their desperation they wanted an advance payment. To obtain this, it was necessary that they have the grain in bins. So, they extended their harvest season into the wet weather, and many of them took off the farm-stored grain

damp or wet. You will be aware of the extensive discussions in this chamber and in the other place last year on the problems that had arisen in connection with damp and wet grain.

The prairie farmers are aware that this provision is being proposed, and they felt it was better to leave the grain in the fields and harvest it dry in the spring, if they could in fact have an advance on unthreshed grain.

Hon. Walter M. Aseltine: Honourable senators, this appears to be my afternoon.

Hon. Mr. Martin: Why not?

Hon. Mr. Aseltine: I am in the position of being very much in favour of both bills upon which I am asked to speak.

I think it appropriate that this Government bill C-157 was sponsored by the honourable Senator Sparrow from North Battleford, because he comes from an area in the Province of Saskatchewan where there is a large quantity of grain unharvested and unthreshed, and he knows the plight that this bill is intended to help alleviate.

The idea to extend these interest-free advances for unharvested grain was proposed as long ago as November 7, 1969, but the bill was not prepared until several weeks after that date. It finally did reach the House of Commons on November 24, and did not come up for second reading until December 5. However, when it did come up, it was rushed through the other place. It was given second reading, and was not referred to the Standing Committee on Agriculture of the House of Commons, as would normally be the case, but was considered in Committee of the Whole. Not only was it given second reading on December 5, but it was also given third reading and was passed.

My objection is that it took a whole month to do this. Why was there a month's delay, when it was obvious long before December 7, 1969, that many acres of grain could not be threshed before winter snowed them under?

Since returning to Ottawa in October, I have been receiving weekly reports of conditions in the three prairie provinces with respect to unthreshed grain. When Senator Argue was speaking on the Throne Speech address he outlined many of the difficulties that the western farmers were contending with this fall. When I spoke on November 19, I congratulated him on his speech and outlined further and in more definite terms the seriousness of the situation. If anything, it is much worse now than it was then. I have only to refer to the speech made by Premier Thatcher on Monday at the Constitutional Conference in which he outlined the difficulties that the farmers of the Prairie Provinces are undergoing.

I also refer to an article in the magazine supplement of the Saturday Ottawa *Citizen*, called *The Canadian Magazine* dated December 6, 1969. It contains a wonderful article written by Mr. Tom Alderman, who spent a week with his photographer in the Kindersley district of Saskatchewan before writing his article. It verifies everything that Senator Argue and I said in our speeches, and goes much further with the gloomy details of conditions being contended with by the farmers of the Prairie Provinces.

Almost every newspaper that I read has something to say about the difficulties the prairie farmers are suffering. An editorial which appeared in *The Ottawa Journal* of December 8, 1969, entitled "4,900,000 Acres in Search of Ideas" says:

> Supply Minister Richardson gives statistics of prairie disaster:
>
> In the first six months of 1969 compared with the same period last year, total farm cash income on the prairies fell $318,000,000 or 28 per cent and the income from wheat declined by 52 per cent.

That is a very serious situation.

I will not read any of the other clippings that I have taken from the various papers, but I want to refer to "News Summaries" issued by the Canadian Department of Agriculture, dated December 5, 1969. This summary entitled "Wheat Outlook" says:

> The outlook continues gloomy for Canadian wheat sales.
>
> The surplus will continue to grow, pushed upward by this year's 685 million bushel crop. At the end of the crop year on July 31, 1970, we'll have more than a billion bushels of wheat on hand, setting a record.
>
> Market analysts say we'll need only 20 million acres seeded to wheat compared with 24.9 million acres seeded in 1969 and the 29.6 million acres in 1968.

Next I come to the reason why this legislation is necessary. The Saskatchewan Wheat Pool and the Saskatchewan Department of Agriculture have been issuing regular crop reports, almost weekly, during the fall in an attempt to persuade the federal Government

to take some action. The late November report of the Saskatchewan Wheat Pool estimates that there is over one million acres of Saskatchewan crops still in the fields unthreshed. These crops consist of 636,000 acres of wheat, 135,000 acres of barley, 168,000 acres of oats, 92,000 acres of flax and 33,000 acres of rapeseed, mostly in the northern part of the province. This represents 4½ per cent of the acreage seeded in Saskatchewan in 1969. I do not have the figures for Manitoba and Alberta, but the situation is also critical in the northern parts of those provinces. They do not grow as much wheat as we do in Saskatchewan and the acreage will be considerably less.

While I agree most heartily with this legislation, I wish to repeat what I have said on previous occasions. It is only an emergency measure; it is temporary and not a cure-all. Of course it is beneficial and therefore most acceptable, but we are only postponing the inevitable. We hope that the poor farmer will be able to sell enough of his grain when it is threshed in the spring to be able to repay the cash advances. They have done so in the past under similar circumstances and I feel that they will do so again.

The first crop of grain I ever grew, which was in 1919, was snowed in on October 8. The crop consisted of 320 acres of flax. We fenced it to keep the cattle from straying in and destroying the crop, which stood all winter with the snow almost up to the head. In the spring the snow went and we brought in combines. We swathed and threshed the grain in the spring and did not lose a bushel. In those days we did not have anything similar to what is contemplated in this legislation. I was not able to get an interest-free advance on that crop. I relate this to illustrate that there is not as much risk, as the honourable senator from New Brunswick would lead us to believe, of very much money being lost. I have had three or four crops snowed under, and they came off in the spring without serious deterioration. As Senator Sparrow said, when the Government made an advance ten years ago on grain that was out in the fields unthreshed, the total loss was only $271.

What the western farmer needs is larger grain sales, or some other way of injecting cash into the Prairie economy. In my opinion, and in the opinion of many other farmers, the western farmer must have a guaranteed price for what he grows. He must have certain guidelines on what he should produce. If he is required to reduce a certain acreage, acreage payments such as we had in 1958 should be revived up to a maximum of about 400 or 500 acres per farmer.

I hope the Agricultural Task Force gets busy and comes up with something worth while. It has been advocated that a Canadian marketing agency be created and licensed by the Wheat Board to assist in selling grain to the different importing countries of the world. If this Agricultural Task Force gets busy, I hope it will consider the creation of such a marketing agency.

Honourable senators, those are the remarks I have to make on this bill. I do not think it is necessary to send the bill to a committee of the Senate. It does not become law until it is proclaimed, and it cannot be proclaimed until it is passed by the Senate, and given royal assent. Second reading will no doubt take place this afternoon, and third reading immediately following, or at the latest at the next sitting, which will be tomorrow. I say this because Prairie farmers who have been unable to harvest their crops would like to have some of these advances in hand before Christmas.

Hon. Mr. Martin: I should just say to Senator Aseltine, whose arguments I am following, that the next sitting will not be tomorrow; it will be on Tuesday next.

Hon. Mr. Choquette: We can pass it this afternoon.

Hon. Mr. Aseltine: In that case, I think it should be passed this afternoon. When will we be having royal assent? Will we have royal assent this week?

Hon. Mr. Martin: No.

Hon. Mr. Aseltine: I do not like that. I think this bill should be passed so that these poor people can have a few dollars in their pockets in time for Christmas.

Hon. Edgar Fournier: Honourable senators, I have just a few words to say. As an easterner I certainly endorse this bill with all my heart. I am glad to see something is being done for the western people. In the meantime, I want the Government to keep in mind that we in New Brunswick have a great surplus of potatoes that were left under the snow, under the same conditions as the grain in the west. Possibly the western storms moved down east. We cannot sell the potatoes. That is all I have to say. Always keep that in mind.

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

ADJOURNMENT

Leave having been given to revert to Notices of Motion:

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move, seconded by honourable Senator Langlois, that when the Senate adjourns today it do stand adjourned until Tuesday, December 16, 1969, at 8 o'clock in the evening.

I should like to give honourable senators some indication of why the Senate will not be sitting tomorrow. As you are probably aware, the Special Senate Committee on Mass Media will be meeting on three different occasions tomorrow—at 10 a.m., 2.30 p.m. and 8 p.m. The Special Senate Committee on Science Policy will be meeting in camera tomorrow at 10.30 a.m. The Special Committee on Mass Media will be meeting again on Friday at 10 a.m.

Hon. Mr. Choquette: Is the Special Committee on Mass Media not meeting three times every day until the end of March?

Hon. Mr. McDonald: I think not, but on several days it is meeting virtually all day long, and again in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, December 16, at 8 p.m.

THE SENATE

Tuesday, December 16, 1969

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

Prayers.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1969

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-7, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January 1969, to the 30th day of June 1970, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Bill read first time.

Hon. Paul Martin moved, with leave of the Senate, that, notwithstanding Rule 44(1)(f), the bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

EXCISE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-155, to amend the Excise Tax Act.

Hon. Paul Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Ordinances, chapters 1 to 12, inclusive, passed by the Council of the Northwest Territories at its 40th Session, October 1969, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1969-2267, dated November 26, 1969, approving same, and a copy of Table of Public Ordinances of the Northwest Territories—1956-1969 (Third Session). (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, December 10, 1969, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

Copies of Report on the Conclusions of the Third Meeting of the Constitutional Conference, held at Ottawa in December 1969.

Copies of Report entitled "A Blueprint for Change—Canada Post Office", dated November 1969.

Report on the Quinquennial Actuarial Examination on the state of the Superannuation Account in the Consolidated Revenue Fund as at December 31, 1967, pursuant to Part I of the Public Service Superannuation Act, section 33, chapter 47, Statutes of Canada, 1952-53.

Report on the Quinquennial Actuarial Examination on the state of the Public Service Death Benefit Account in the Consolidated Revenue Fund as at December 31, 1967, pursuant to section 27 of the Statute Law (Superannuation) Amendment Act, 1966, chapter 44, Statutes of Canada, 1966-67.

Copies of memoranda, dated October 20 and November 25, 1969, from the Acting Director General of Medical Services of the Department of National Health and Welfare to Regional Directors of Medical Services with respect to changing patterns of Indian mortality. (English text).

RADIATION EMITTING DEVICES BILL

FIRST READING

Hon. Paul Martin presented Bill S-14, respecting the sale and importation of certain radiation emitting devices.

Bill read first time.

Hon. Mr. Martin moved, with leave of the Senate that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do

stand adjourned until tomorrow, Wednesday, December 17, at 2 o'clock in the afternoon.

Perhaps a word of explanation is in order. As there are several committee meetings tomorrow and some other functions later in the day, it is felt that by meeting at 2 o'clock rather than 3 o'clock we would meet the wishes of most honourable senators.

Motion agreed to.

AGRICULTURE

PRAIRIE GRAIN AND LIVESTOCK PRODUCTION POLICIES—INQUIRY ANSWERED

Hon. Hazen Argue inquired of the government, pursuant to notice:

1. Has the federal Government formulated any policy with regard to the acreages on the prairies that should be seeded to: (a) bread wheat, (b) Durum wheat, (c) oats, (d) barley, (e) flax, (f) rape, (g) forage crops?

2. If so, what is the policy?

3. What acreage increase or decrease in each crop is recommended?

4. Has any policy been formulated with regard to diversification through increase in production of: (a) beef, (b) hogs, (c) eggs, (d) other livestock products?

5. If so, what increase is recommended in each case?

Hon. Paul Martin: Answered.

(The answers follow:)

Agricultural production is the responsibility of provincial governments. The policy followed by the federal Government, working in close co-operation with the provincial authorities and farm organizations, is to endeavour by way of an annual Outlook Conference to project the outlook for future production and marketing of agricultural crops and livestock.

The scope of the conference was broadened this year into three stages:

1. Preliminary regional meetings of federal and provincial officials and farm organizations were held prior to the main conference.

2. The main Outlook Conference in Ottawa attended by some 300 representatives of federal and provincial governments and farm organizations.

3. Further regional meetings are to be arranged by provincial authorities with representatives of farm organizations to review the outlook for production and marketing and to make recommendations as to the most suitable programs for their respective provinces.

The various papers and discussions at the main Outlook Conference indicated the following:

Wheat—At average yields, 20 million acres would produce all the wheat predicted to be marketable from farms in 1970-71.

Oats—Some reduction in oats below the 1969 area of 7.9 million acres towards an annual level of about 6.5 million acres would provide sufficient supplies for 1970-71.

Barley—At average yields an area of 9.0 million acres would be sufficient supplies for 1970-71.

Flax—An acreage reduction in flax from the 1969 level of 2.4 million acres to a level of 1.5 to 2.0 million acres is indicated for each of the next two years, unless producers are prepared to accept lower prices.

Rapeseed—It would appear desirable that for 1970, rapeseed acreage be maintained at about 2.2 million acres. An increase in production over the next 5 years will be justified by continued increases in domestic use and exports. However, prices are likely to fall well below 1969 levels in 1970-71, if production in 1970 substantially exceeds 40 million bushels.

Beef—The outlook for beef production indicates an increasing demand which will support a build-up in the national beef-feeding herd.

Hogs—There appears to be an outlet for about one million additional hogs per year for domestic and export markets.

Eggs—There is a strong possibility that the shell egg market will be over-produced in the first half of 1970, with a corresponding drop in egg prices to producers which will persist until layer numbers decline.

BARBER ROYAL COMMISSION ON FARM MACHINERY—INQUIRY ANSWERED

Hon. Hazen Argue inquired of the Government, pursuant to notice:

1. When was the Barber Royal Commission on Farm Machinery appointed?

2. What is the most recent estimate available of costs so far incurred in the conduct of this Commission?

3. How many interim reports have been received to date from this Commission?

4. When is the Commission expected to present its final report?

Hon. Paul Martin: Answered.

(The answers follow)

1. May 5, 1966.

2. As of October 31, 1969, $1,254,716.

3. One interim report and three position papers for the Canadian Agriculture Congress.

4. Early in 1970.

CANADIAN NATIONAL RAILWAYS

PASSENGER SERVICE ON CERTAIN EASTERN TRAINS

On the notice of inquiry of Hon. Edgar Fournier:

1. What was the gross revenue for the period from 1st October, 1968, to 1st October, 1969, of each of the following Canadian National passenger trains: The *Chaleur*, The *Scotian* and The *Ocean Limited*?

2. What was the number of passengers carried by each of these trains for the above period?

3. What was the cost of operation per mile of each of these trains for the above period?

4. What was the number of passengers carried, eastward and westward, on the *Ocean Limited* from Moncton and intermediate stations to Joffre for the above period?

5. What is the official track mileage between Moncton and Joffre via Campbellton, and between Moncton and Joffre via Edmunston?

Hon. Edgar Fournier: May I ask the Leader of the Government why this notice of inquiry remains unanswered?

Hon. Mr. Martin: As yet, I have not received a reply from the department. I assure my honourable friend that I am doing all I can to get it.

Hon. Mr. Flynn: That is the best answer that could be given.

Hon. Mr. Fournier (Madawaska-Restigouche): I was expecting that—

Hon. Mr. Martin: No other answer could be given.

Hon. Mr. Fournier (Madawaska-Restigouche): —and I do not blame the Leader of the Government, because I am sure he has done his work. However, I am most dissatisfied with the length of time taken to answer this inquiry. It was made on December 4 and it is now December 16—an elapse of more than twelve days to supply routine figures that are produced daily, weekly and monthly. Later this day, if we have an opportunity to say a few words about the bill that has just been presented, I may tell the Leader why these figures are not produced.

Hon. Mr. Martin: I must say there appears to be some confusion. To what bill is the honourable senator referring?

Hon. Mr. Fournier (Madawaska-Restigouche): The bill we shall consider this evening dealing with the estimates of the C.N.R.

Hon. Mr. Martin: You will have an opportunity to deal with that, but I do not have the details of Inquiry No. 5 before me. Is that the inquiry regarding the Union Station building?

Hon. Mr. Fournier (Madawaska-Restigouche): No. Inquiry No. 5 appears in the routine proceedings and deals with the operation of The *Chaleur*, the *Scotian*, and The *Ocean Limited*.

Hon. Mr. Martin: I have been assured by the department that they are working on that inquiry, and as soon as I receive the information I will furnish to the honourable senator.

Hon. Mr. Fournier (Madawaska-Restigouche): Thank you.

DIVORCE

COUNTY COURT JURISDICTION—QUESTION AND ANSWER

Hon. Arthur W. Roebuck: Honourable senators, may I ask of the Government if and when we can expect from the Government an amendment to the Divorce Act, which came into force on July 2, 1968, which will confer upon the county courts of the provinces jurisdiction in divorce co-ordinate with that of the Supreme Courts, as recommended in June 1967 in the Report of the Special Joint Committee of the Senate and House of Commons on Divorce.

May I refer to the paragraph in question? It appears under the heading "Court Jurisdiction," and reads:

> In the Divorce Act (Ontario), which conferred authority to decree dissolution of marriage, and in the pre-Confederation statutes in the provinces other than Quebec and Newfoundland, it was uniformly the Supreme or Superior Court which was selected to administer the law of divorce. In the experience in Ontario of almost forty years and in the other provinces of the past one hundred years, the Supreme Courts have proven in some respects inadequate for the task. The Judges of the Supreme Courts visit the county towns, other than the cities, usually twice a year, so that long lists of divorce cases await the Assizes and are dealt with perfunctorily. They are run through rapidly as something of a nuisance in order that the more interesting and financially important actions may be heard.
>
> Moreover, such matrimonial and family proceedings are continuing matters. While the marriage itself may be permanently and decisively disposed of, matters such as the division of marital property, alimony and the custody and maintenance of the children remain to be dealt with from time to time. To reach the judge who made the original order involves a trip to the provincial capital or a wait for a maximum of six months for the next Assizes, when unfortunately a different judge may be sitting.
>
> To meet this obvious difficulty, the former Chief Justice of Ontario, the Honourable James McRuer, advised that the County Courts be given concurrent jurisdiction with the Supreme Court in matters of divorce. The County Court Judges are resident in the county towns and their local offices and officials are available at all times. The judges are present when required to explain or vary an order or to make additional provisions.
>
> Chief Justice McRuer spoke from his own long experience of the Supreme Court when speaking of the obvious advantage of having matrimonial matters dealt with by local judges. He would not interfere with the present authority of the Supreme Court Bench.

The Hon. the Speaker: Order. I wish to avoid the setting of a precedent. We are governed now by Rule 20. Do I understand that the honourable Senator Roebuck has leave to proceed with the laying of a foundation for his question?

Hon. Senators: Agreed.

Hon. Mr. Roebuck: I regret having to take up this amount of time, but to make my question abundantly clear it is necessary that I read this section of the report and the recommendation, because I am asking whether and when this recommendation will be put into effect. If I may, I shall continue.

> Divorce litigants should have access to the Supreme Court if they wished a High Court trial, as they are now in cases beyond the jurisdiction of the County Courts, but neither should the great advantage of the County Courts be denied them. Your committee has had recommendations that Matrimonial Causes be sent to family courts. This is a matter that could be left to conferences between the Minister of Justice and Provincial Attorneys General because of the lack of uniformity in such courts at present.
>
> Your committee recommends that the County Courts of all provinces having jurisdiction to dissolve marriage be given jurisdiction in divorce equally and concurrently with the Supreme Courts of the respective provinces.

In the Divorce Act, section 2, subsection (e) the "Court" constituted by the act to hear divorce cases is defined for the various provinces, as the trial division of the Supreme Court of the provinces of Ontario, Nova Scotia, New Brunswick, Alberta, British Columbia and Prince Edward Island. In the provinces of Manitoba and Saskatchewan, it is the Court of Queen's Bench and in the Yukon Territory and the Northwest Territories, the Territorial Courts.

Section 22 defines the court so empowered for the provinces of Quebec and Newfoundland, following a proclamation, as the Superior Court of Quebec, and the Supreme Court of Newfoundland. I understand that such proclamations have been issued for both these provinces.

By sections 3 and 4 of the Divorce Act, a Petition for Divorce may be presented to a "Court," which is a court as defined in section 2.

I understand that the reason given by the Government for not following the advice of the joint committee in this particular was the

desirability of having the jurisprudence with respect to divorce under the new act settled by the Supreme Courts of the provinces rather than by the County Courts. However, more than a year has passed since the proclamation of the new Divorce Act, and more than 38,000 petitions for divorce have been received by the courts of the provinces during the first year of operation of the act.

In view of the congestion in the Supreme Courts and the other reasons mentioned in the report of the joint committee, is it not now time to give co-ordinate jurisdiction in matters of divorce in the county or local courts of the provinces?

Hon. Mr. Martin: Honourable senators, Senator Roebuck was kind enough to give me notice of his intention to ask this question.

Having consulted the Minister of Justice, in response I would say that, as Senator Roebuck knows, it was thought preferable at the time the new Divorce Act was introduced to place divorce jurisdiction in the superior court of each province. This was decided partly because the jurisdiction of such courts is a provincial responsibility rather than a local responsibility, and partly because it was thought that until some jurisprudence based on the new law was established jurisdiction should be restricted to the superior court judges.

However, I must make clear, as I am sure Senator Roebuck fully appreciates, that federal legislation is not required to enable county court judges to hear divorce cases in their respective provinces. In some provinces county or district court judges do hear divorce cases as local judges of the superior court. It would be within the competence of the provincial authorities of any province to extend divorce jurisdiction to county court judges in their capacity as local judges of the superior court.

In respect of the backlog of cases to which we have been referred by Senator Roebuck, I understand that in the Province of Ontario various methods, such as special divorce hearings of the high court, are being considered to deal with the problem.

Finally, the Minister of Justice in his remarks to the Canadian Bar Association earlier this fall, indicated that the Divorce Act would be reviewed in the fall of 1970. The question raised by Senator Roebuck could certainly be considered at that time as part of that review.

Hon. Mr. Roebuck: Thank you.

Hon. Jacques Flynn: Mr. Speaker, I did not intervene when this question was posed, nor when the answer was given, because I thought that by giving leave to Senator Roebuck and the Leader of the Government I could prove my point, that if we are going to institute a worthwhile question period, questions should be short and so should the answers, otherwise we will engage in a debate. I could say much about the question that has been debated between the two honourable senators opposite. Let me simply say that I think the question was completely out of order, and so was the answer. What Senator Roebuck was asking the Government was: Why did the Government not listen to the report of the Divorce Committee or to the suggestions made by the opposition at that time?

The Hon. the Speaker: May I say a word for the benefit of the Leader of the Opposition (Hon. Mr. Flynn). In his exposé, the honourable Senator Roebuck drew attention to the fact that this was a necessarily, lengthy presentation. I do not think we should encourage this kind of question, otherwise it may degenerate into a debate. That is why I asked if the honourable senator had unanimous consent to proceed, and I understood that consent was given.

Hon. Mr. Flynn: Mr. Speaker, with all due respect, there cannot be unanimous consent in such a case.

AIR TRAFFIC

THREATENED STRIKE BY AIR CONTROLLERS—QUESTION AND ANSWER

Hon. J. Campbell Haig: Honourable senators, may I ask the Leader of the Government a question?

Has the Government Leader any further information about the negotiations between the Air Controllers Association and the Treasury Board with a view to averting a possible strike on Friday next?

Hon. Paul Martin: Honourable senators, I can add nothing more to what the President of the Treasury Board and the Minister of Transport said earlier today, that talks are taking place between those representing the controllers and the Treasury Board, and every effort is being made to bring about a satisfactory conclusion. Beyond that, it is not possible to go at this stage.

Hon. Mr. Croll: Your best hope is to go home on Thursday.

Hon. Mr. Haig: I am leaving Thursday at 8 o'clock. I am not concerned about myself, but I am concerned about thousands of others.

UNION STATION

RENOVATION OF BUILDING—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, last week, Senator Fournier (Madawaske-Restigouche), asked some questions to which I gave some responses, which obviously were not complete, and I agreed to give him a more complete reply.

His questions were as follows: "1. Did the Federal Government make any expenditures towards the renovation of the old Union Station?" The answer is, Yes.

2. "If yes, what was the total amount spent?" The answer is, $625,000.

3. "Under what authority was it done, and who recommended it to be done?" The answer is, under authority of the Cabinet, as recommended by the Privy Council.

Hon. Mr. Flynn: The Privy Council?

Hon. Mr. Martin: Yes—the Office of the Privy Council, which is in charge of the Federal-Provincial Relations Conference.

4. "Who is now the owner of this building?" The answer is: The building is Crown-owned and is leased by the National Capital Commission to the Department of Public Works for $1 per annum.

Hon. Donald Cameron: This is really supplementary to the question asked by Senator Haig, which has to do with the threatened strike by the air controllers. I wonder if the Leader of the Government has seen tonight's Ottawa *Citizen* in which the president of that association in effect makes a threat to the Government. I quote:

> He warned the Government against trying to use military air controllers to replace civilians at Department of Transport airports. He said they were not fully qualified for the DOT posts.

If that is not a threat I do not know what it is. I think it only fair to state that some of us are getting thoroughly fed up with the almost criminal irresponsibility of many of these organizations in public service. I believe this is the fifth time within two and a half years—

The Hon. the Speaker: Order, please. Perhaps the honourable Senator Cameron could put his question at this time, since the foundation is well laid.

Hon. Mr. Flynn: There is a foundation for a debate at least.

Hon. Mr. Molson: It is a foundation anyway.

Hon. Mr. Cameron: Honourable senators, all I want to say in the second part of this question is that the air controllers and the postal people have constantly declared that those responsible for the delays are the people in the Treasury Board. My question to the Leader of the Government is, cannot something be done to get a more expeditious settlement of some of these admittedly complex problems?

Hon. Mr. Flynn: I think the questions have been asked. I would like to hear the answer.

Hon. Mr. Martin: With regard to the second portion of the question, I would remind honourable senators that in the Speech from the Throne the Government gave indication of its intention to introduce a measure dealing with particular situations that very clearly involve the public interest. Beyond that, I do not now wish to make further comment. I have said that talks are going on today. If we want them to conclude successfully I think we should leave the negotiators untrammeled by anything we say at this time.

APPROPRIATION BILL NO. 4, 1969

THIRD READING

Hon. Donald Smith, for Hon. Leopold Langlois, moved the third reading of Bill C-169, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1970.

Motion agreed to and bill read third time and passed.

QUARANTINE BILL

THIRD READING

Hon. Donald Smith moved the third reading of Bill S-12, to prevent the introduction into Canada of infectious or contagious diseases.

Motion agreed to and bill read third time and passed.

JUDGES ACT

BILL TO AMEND—THIRD READING

Hon. J. Harper Prowse moved third reading of Bill C-2, to amend the Judges Act.

Motion agreed to and bill read third time and passed.

OFFENCES ON AIRCRAFT

RATIFICATION OF CONVENTION—REFERRED TO COMMITTEE

The Senate resumed from Wednesday, December 10, the debate on the inquiry of Hon. Mr. Martin, calling the attention of the Senate to the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo, Japan, September 14, 1963, and ratified by the Government of Canada on November 6, 1969, and tabled in the Senate December 2, 1969.

Hon. Paul Martin: Honourable senators, I indicated on Wednesday that I would mention this evening, by way of explanation, the terms of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, a convention to which Canada is a signatory, and which was tabled in this house a few days ago.

This convention was adopted and opened for signature in Tokyo on September 14, 1963, at the conclusion of an international conference at which Canada played an active role. It was signed by Canada on November 4, 1964, subject to ratification.

The Canadian instrument of ratification was deposited with the Secretary General of the International Civil Aviation Organization in Montreal on November 7, 1969. Canada is the fifteenth state to ratify the convention. For the first twelve states who have ratified it, the convention entered into force on December 4, 1969. For states subsequently ratifying it, the convention enters into force ninety days after deposit of the instrument of ratification. For Canada, therefore, the convention will enter into force on February 5, 1970.

When the Tokyo Convention was drawn up in 1963, the problem of aircraft hijacking had not reached the serious proportions it has attained in recent months. The convention was not directed primarily at the problem of aircraft hijacking, but rather was designed to provide an orderly system for dealing with criminal offences and other acts against the safety of a civilian aircraft in flight or against the persons or property on board the aircraft. The convention contains two main provisions to achieve this objective. The first is to give to the commander of a civilian aircraft in flight the powers of a peace officer in dealing with persons who commit crimes or jeopardize the safety of his aircraft. The second is to establish that the state of registry of the aircraft shall have jurisdiction in respect of offences committed on board the aircraft.

Although the convention as a whole was not directed specifically to the question of aircraft hijacking, Article 11 does refer particularly to this problem. This article places upon states parties to the convention two obligations in dealing with hijacking cases. The first is an obligation to "take all appropriate measures to restore control of the aircraft to its lawful commander." The second is to require the state in which the hijacked aircraft lands to "permit its passengers and crew to continue their journey as soon as practicable" and to "return the aircraft and its cargo to the persons lawfully entitled to possession." In addition, Article 13 of the convention requires states parties to take into custody any person suspected of hijacking an aircraft, in order to enable criminal or extradition proceedings to be brought against him; to make an inquiry into the circumstances of the hijacking, and to inform other interested states of the results of the inquiry.

As honourable senators know, the hijacking of aircraft constitutes not only an act of extreme lawlessness, but a serious threat to the lives of the persons on board the aircraft seized, and to the confidence of the public at large in air transport.

In the urgent discussions which have taken place in many quarters in recent months, in an effort to deal with this grave problem, it has been emphasized that the Tokyo Convention is an existing international instrument which, while not the complete answer to the hijacking problem, would at least go some way toward assuring the prosecution of offenders, the safe return of the aircraft and the continuation of the journey of its passengers and crew. This recognition of the importance of the convention in dealing with hijacking has resulted in the series of ratifications in recent weeks and months which have led to the entry into force of the convention.

As I have said, the Tokyo Convention is by no means the complete answer to the hijacking of aircraft. It is, however, an effective first step, and it is for this reason that Canada has ratified the convention. The Canadian Government will continue its efforts, within the United Nations and the International Civil Aviation Organization, to devise new and

more effective means of deterring the hijacking of aircraft. Within ICAO, Canada has played a major role in the legal subcommittee formed to draft an international agreement to deal specifically with hijacking. This subcommittee has already developed a draft agreement which, after further examination and possible modification, will be submitted to an international conference for adoption. In the United Nations, Canada will do all that it can to have the General Assembly formally urge its members to take all possible measures to prevent the hijacking of aircraft and to punish offenders.

The development of international law, as a means of ensuring the orderly conduct of international affairs, has always been one of the fundamental objectives of Canadian foreign policy. Because of the enormous increase in recent years in the number of people who travel by air, there are few areas of international activity which so directly concern people in all walks of life as the security of international civil air travel. Canada has in the past done, and will continue in the future to do, everything possible to develop and maintain the rule of law in this activity which directly affects so many of our citizens.

Honourable senators, when I was discussing this matter with the Leader of the Opposition, he made the suggestion that this explanation of conventions would be a desirable pattern. He also suggested that we might refer these matters to the Standing Senate Committee on Foreign Affairs. This I propose to do.

Hon. Jacques Flynn: Honourable senators, the statement of the Leader of the Government, of which he gave us a part on Wednesday last, and which he has completed today, raises two questions.

There is a problem of rules. What should we do when a document of this type is tabled before the Senate? Should there be a prior notice, as when we give notice of an inquiry, and then should we have a debate on it?

There is another question implicit in the statement of the Leader of the Government, dealing with the ratification of a treaty. The leader has indicated that it is not necessary under our Constitution—written or unwritten, and I do not know on which basis the argument would be put—to have Parliament ratify a treaty. I know that in practice important international conventions have been ratified by Parliament but, generally speaking, this is not the procedure followed.

Hon. Mr. Martin: That is right.

Hon. Mr. Flynn: And I understand that in the present case that procedure has been followed. The convention was signed in 1963 and I assume that the persons signing it on behalf of Canada had the authorization of Cabinet.

Hon. Mr. Martin: They had authorization to sign.

Hon. Mr. Flynn: Then what the Leader of the Government calls the instrument of ratification is nothing more than another order in council which says, "We will ratify it."

Hon. Mr. Martin: That is right.

Hon. Mr. Flynn: So, there are two decisions of the Government. I do not understand why the Government should decide twice to sign a treaty. To me, it seems rather silly.

Hon. Mr. Martin: There are not two separate orders in council to sign the treaty. The first order in council authorizes the representative of the country to sign the treaty, but a treaty signed does not necessarily have to be ratified. That requires a subsequent act on the part of the executive.

Hon. Mr. Flynn: Then the signature does not mean a thing.

Hon. Mr. Martin: It is a commitment.

Hon. Mr. Flynn: I repeat that it is silly. I suggest, therefore, that this is a problem with regard to ratification of treaties that we could study in the Standing Senate Committee on Foreign Affairs in order to see how we should deal with these matters. These are two problems that arise out of the statement of the Government Leader.

As far as this particular convention is concerned, one could make the comment that, since it has been published in its entirety in the *Minutes of the Proceedings* of last Wednesday, it is therefore up to every member of the Senate to read it and to assess its value. I agree that it is an important and necessary step to prevent the offence of hijacking. However, it is well known, I believe, that 90 per cent of the cases of hijacking resulted in the aircraft being taken to Cuba. Moreover, if my understanding is correct, Cuba has not signed the convention. Therefore, in practice it is not very important. It is important in principle, because we have laid down the rules; but, in practice, if Cuba does not sign and if we continued to have a high percentage of the aircraft being hijacked

to Cuba, it is obvious that this convention will not be a solution. In any event, this in itself is a problem that could be examined in the Standing Senate Committee on Foreign Affairs.

But this is a very limited problem. I think that the other two questions I raised deserve more attention. Possibly the one dealing with the tabling of a document in respect to what we should do in the Senate could be referred to the Rules Committee. As far as the system of ratification of our treaties is concerned, that problem could be referred to the External Affairs committee. In both cases I think we do need to look into the problems because at the present time the situation is far from clear.

Hon. Allister Grosart: Honourable senators, may I make a further comment on the matter raised by the honourable Leader of the Government and discussed by the Leader of the Opposition. Is it the intention of the Government to bring in legislation to implement this convention? Otherwise, it is meaningless. If the honourable Leader of the Government will hold his fire on that question for a moment, he will have ample opportunity to reply.

If the situation is that the terms of an international treaty or convention do not become part of the domestic law of the country, they cannot be pleaded in the courts. That is the situation in Canada, but it is not so in the United States, where an international treaty does become part of the domestic law and can be pleaded in the courts.

Looking at this convention, we see a number of obligations undertaken by the Canadian Government which I suggest the Government cannot implement without the necessary legislation to amend our present acts. If these matters are not now offences under Canadian law, they cannot be made offences merely by signing and ratifying a convention of this sort.

As a matter of fact, there are many cases at the present time where we are not living up to international obligations, and nobody can force the Government or any individuals to live up to the obligations unless there is legislation to implement the undertakings that we make.

I suggest to honourable senators that the Standing Senate Committee on Foreign Affairs might well discuss this whole matter. The fact is that Canada can never be a fully sovereign state, because it cannot honestly undertake commitments under a treaty concerned with matters that come under section 92 of the British North America Act. No federal state with that limitation is a sovereign nation in that sense.

I see the honourable Senator Roebuck shaking his head. I would suggest that if he looks up some of the authorities he will find that that is true.

Let me go further. I say that in respect of the concept given to us by the Leader of the Government—that all of this can be proceeded with under the prerogative of the Crown—such is the case in our constitutional law as it stands. The Crown has the prerogative to undertake treaties. The Crown has the prerogative to sign and to ratify them. But to do so is utterly meaningless in most cases, because it imposes no effective obligation on the Government or on the citizens of Canada unless it is implemented by changes, if necessary, in our domestic law.

I would suggest that the Standing Senate Committee on Foreign Affairs give consideration to whether this is not another of these anachronisms that we should get rid of because, as the honourable Leader of the Opposition has said, it makes no sense for the Government of Canada to attempt in any way to bind Canadian citizens without referring the matter to the Parliament of Canada.

The question is, can they bind citizens? I say that on the one hand they cannot in a matter that is not already covered by domestic law. On the other hand, there may be cases where the Government, acting on the prerogative of the Crown without in any way consulting Parliament, purports to commit Canada as a nation. I suggest that is not a situation that should be allowed to continue in the twentieth century. Surely no government, without the consent of Parliament, should be allowed to commit Canada to any position vis-a-vis any other nation.

It is quite true, as the honourable Leader of the Government has said, that successive Prime Ministers have given verbal undertakings that if in their opinion treaties were considered important enough, ratification by Parliament could be sought. Surely, this is not good enough.

This situation has been discussed in the United States. Some honourable senators will remember the very interesting debates on the so-called Brickner amendment which referred to this question. It dealt with whether the President of the United States with the

advice and consent of the Senate should continue to be allowed to bind the American people, because a treaty entered into by the President of the United States with the advice and consent of the Senate becomes domestic law. That is the point of the discussion on the Brickner amendment, namely, whether to allow the President and Senate to make domestic law without referring it to the representatives of the people in the House of Representatives.

Honourable senators, the Foreign Affairs Committee might well consider whatever constitutional or other amendments might be necessary to get rid of this anachronism.

Hon. Arthur W. Roebuck: Honourable senators, I have no wish to pose as an authority on constitutional law, although I suppose I have as much right to do so as any member of this chamber. But I do hope that if the Foreign Affairs Committee considers this question of treaties and their binding effect, they will obtain the views of some very well-informed authorities on international law. While I hesitate to disagree with the honourable senator who has just spoken, I think that he has perhaps lost sight of some features of this situation.

The right of the Crown to bind the nation goes back into ancient history. The King had that right and the executive has it today with this qualification only, that if the enforcing of the agreement that has been made by the executive requires some amendment to the law, some expenditure of money or a change of the statutes, then the executive has to come to Parliament, and if Parliament refuses to make a change in the law, then it is just too bad for the executive. But apart from this, to say that the executive cannot bind the nation is, in my opinion, erroneous. It has always been done; it is being done today.

I do not know the law of the United States, but I am under the impression that the ancient law with regard to the making of treaties by the executive was changed in the American Constitution, and the right of the President acting in the capacity of the King in England was limited by the necessity of having his act approved by the Senate. I think that is provided for in the Constitution of the United States. But there is no such provision in the Constitution of Canada; there is nothing in the B.N.A. Act which says that the executive cannot bind the nation. But I know that the executive cannot pass laws within the jurisdiction of Parliament.

I think the statement was also made that Canada does not have the complete power of extra-territorial laws. That was the case when the B.N.A. Act was passed, and we had the impression at that time that Canada's jurisdiction was limited to the three-mile area beyond our shores.

Hon. Mr. Grosart: I am sure the honourable senator will not mind my saying that I did not raise that question at all. Any time he wishes to discuss the question of extra-territorial laws, I shall be glad to discuss them with him, but I did not raise it.

Hon. Mr. Roebuck: I think the honourable senator did so in effect when he said that the executive did not have the power to make laws binding Canada outside its own jurisdiction.

Hon. Mr. Grosart: I did not say extra-territorial. That is an entirely different matter. What I was speaking about was the relationship between sections 91 and 92 of the British North America Act which are very much intra-territorial matters as opposed to extra-territorial matters.

Hon. Mr. Roebuck: We are agreed on that, and it has been perfectly clear since the conference in 1926 that we have the power to bind this nation by an agreement with another nation that goes beyond our ordinary boundaries, with the exception only that if it requires an Act of Parliament to enforce the terms of the agreement, then Parliament must pass such an act.

Hon. Mr. Grosart: Or an act of a provincial legislature. That is the point I was making.

Hon. Mr. Roebuck: Very well, if it comes within the jurisdiction of a province.

Hon. Mr. Martin: Honourable senators, Senator Grosart asked me a question and as the matter is one of some importance I should like to supplement what Senator Roebuck has just said.

The treaty-making power is an element of the royal prerogative exercised by the Crown on the advice of the executive. Senator Grosart may think that this is a device no longer properly applicable in this modern day, but that would be a complete reversal of our constitutional law and of our concept of the position of the Crown in relation to the formulation and execution of foreign policy. The royal prerogative in Canada has been delegated by the Crown to the Governor General in Council, and is exercised by him on the

advice of the executive in the Government of Canada.

The policy enunciated in the 1920s respecting the submission of treaties by the Cabinet to Parliament for approval by resolution has gone through various and, I admit, sometimes unclear applications. The present practice seems to be that ratification is sought by Parliament only in respect of certain major political international commitments such as our adhesion to the North Atlantic Treaty, to NORAD, to the treaty on Non-Proliferation of Nuclear Weapons, and instruments of this kind. The practice appears to have been to seek parliamentary approval by resolution only for the most important treaties. This was reflected in an exchange between Mr. Brewin in the other house and the then Prime Minister, Mr. Pearson, which appears in the *Hansard* of the other place of March 11, 1968, at page 7467. There Mr. Brewin observed:

> My question is for the Prime Minister. In view of the importance to Canada of current negotiations for the renewal of NORAD will the right hon. gentleman assure the house that the renewal agreement will be submitted for discussion in this house before it is signed?

The Prime Minister replied:

> No, Mr. Speaker, I cannot give that assurance. The government will have to take its responsibilities and then submit its decision to the house, as is normally done in connection with these matters.

It follows that if the treaty-making authority arises out of the royal prerogative, it is the responsibility of the executive to make the commitment. It is open to Parliament, either after ratification or before, to take issue with the policy of the Government and, by a vote of confidence or otherwise, that policy can be repudiated. But it is clear that in our system of government—and this applies to all Commonwealth governments—the formulation of foreign policy is the responsibility of the executive.

Hon. Mr. Grosart: Would the honourable senator accept a question? Would he not agree that when he says "all Commonwealth governments" he is going a little too far; that it is only Commonwealth governments that are expected to follow what we call the Westminster tradition—and many are not?

Hon. Mr. Martin: I would not make any exceptions. I do not know of any Commonwealth country that would entertain any abridgement of the executive's power to make treaties, whether or not they operate under the parliamentary system.

This question was dealt with by an officer of this house in 1939. W. F. O'Connor, in a report he made to the Honourable the Speaker of the Senate of Canada on the British North America Act, 1867—(1939), page 146—wrote of the nature of the royal prerogative in these terms:

> By prerogative rights "we mean a right that remains in the Sovereign as one of that bundle of common law rights which were, at and by the common law, exercisable by the Sovereign in person, and we use that term whether the prerogative in question is or is not now exercisable by the Sovereign in person or through him by his representative."

The royal prerogative includes the treaty-making power, as Senator Roebuck has just emphasized. Professor Dawson, in his book *The Government of Canada,* Fourth Edition (1963), at page 158, wrote that the Royal Prerogative embraces:

> —the power to do all acts of an international character, such as the declaration of war and neutrality, the conclusion of peace, the making or renouncing of treaties and the establishment or termination of diplomatic relations.

Hon. David A. Croll: On a point of order, how many times may a senator speak during the course of a debate, and under what auspices are we proceeding?

I understood that a short explanation was to be given and that some action would be taken. If that is not the case, I want time to participate in the debate. I cannot understand what this is all about. I listened to my friend Senator Grosart give a legal opinion and the Leader of the Government give a legal opinion—and I realize both are first-class constitutional lawyers! However, we have made no progress on the Constitution in over a hundred years, and now I realize why. I have listened to this exchange for half an hour, and I still do not understand what it is about. I think that notice should be given in the normal way, to enable this debate to proceed.

Hon. Mr. Flynn: I support the point of order raised by Senator Croll. That is why I said this matter should be raised in committee and not here.

Hon. Mr. Martin: Notice was given last week, and Senator Grosart asked a question.

My dear friend Senator Croll said he did not know what it was all about.

Hon. Mr. Flynn: But every time my friend the leader is asked a question he makes a speech, and he knows he should not.

Hon. Mr. Martin: That is the honourable senator's view. I think this is an important matter. Senator Croll said he did not understand what it was all about. Well, that is not my responsibility.

Hon. Mr. Croll: I want to make it quite clear that I was more confused when he got through speaking.

Hon. Mr. Flynn: You are not the only one. It is very well known in the other place that that has always been the result.

Hon. Mr. Argue: This is a Windsor feud!

The Hon. the Speaker: A point of order has been raised by Senator Croll. In fact, I was waiting for an intervention from the honourable senator. We are proceeding now under a Notices of Inquiries, and the Government Leader made a speech, which was perfectly in order.

Hon. Mr. Haig: No. We are proceeding under Item No. 4 of the Orders of the Day.

The Hon. the Speaker: Yes, we are now on the Orders of the Day, Item No. 4. On December 10 last the Leader of the Government gave notice under Notices of Inquiries that he would discuss this item today. The leader spoke and was followed by other honourable senators. This was in order, but it was not in order for the leader to make another speech.

Hon. Mr. Haig: Agreed.

The Hon. the Speaker: However, in all fairness to him, at the beginning of his remarks, the second time he spoke, he said that he was answering a question put by the honourable Senator Grosart, but when the explanation or the answer to the question became quite lengthy the honourable Senator Croll rose on a point of order, which is well taken.

Do I understand that the Leader of the Government has now finished his answer?

Hon. Mr. Martin: Honourable senators, I am sorry. I apologize to honourable senators, but I was of the opinion that the person who initiated a discussion had the right to speak again, and in doing so he would close the debate. Apparently this is not the case. If it is not the case—although I was advised to the contrary—I am obviously out of order. However, I do commend what I have said to Senator Croll.

Hon. Mr. Grosart: On the point of order, my question to the honourable Leader of the Government was: Is it the intention of the Government to implement this convention by legislation? After a long preamble, I still do not have the answer.

Hon. Mr. Flynn: You obviously want another speech!

Hon. Mr. Martin: The answer is, no. As I have explained, it is because the treaty-making power rests with the royal prerogative, and that is transferred by the Crown to Her Majesty's representative in Canada, on the advice of the executive.

Hon. Mr. Macdonald (Cape Breton): May I ask the Leader of the Government one question? In his opinion, does the federal Government, in exercising the royal prerogative, have the power to make a treaty, the effect of which would be a clear infringement of provincial rights?

Hon. Mr. Martin: No, of course not. Section 92 sets out the enumerated powers of the provinces. I.L.O. conventions, for instance, are signed by a signatory who speaks for the Government of Canada, but the Government of Canada cannot ratify such a Convention unless it has the authority of the provincial governments. The matters we are dealing with here are different.

Hon. Mr. Flynn: Many books have been written on the subject.

Hon. Mr. Molson: May I ask the Leader of the Government a question dealing with the convention we have before us and which will not necessitate any pronouncement or opinion on international law? My question is this: Are there any other signatories in addition to those listed on page 151 who have given their support to this convention, or is this list up to date?

Hon. Mr. Martin: This is the list of signatories as of Thursday last.

The Hon. the Speaker: Honourable senators, may I read Rule 29, in order to make the point perfectly clear? Rule 29 reads:

> A senator who has moved the second reading of a bill or made a substantive

motion shall have a right of final reply, but not otherwise.

Hon. Mr. Martin: Then it is as Senator Flynn has indicated. I have suggested that this Convention be referred to the Standing Senate Committee on Foreign Affairs, and I take it that that is agreed.

Hon. Mr. Flynn: I think the honourable Leader of the Government should make a formal motion, either tonight or tomorrow.

REFERRED TO COMMITTEE

Hon. Mr. Martin: Honourable senators, I move that this Convention be referred to the Standing Senate Committee on Foreign Affairs for examination.

Hon. Mr. Flynn: With leave of the Senate.

Hon. Mr. Martin: With leave of the Senate.

Motion agreed to.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL, 1969-1970

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, December 10, the adjourned debate on the motion of Hon. Mr. Sparrow for the second reading of Bill C-157, to authorize provisional payments for the 1969-70 crop year in respect of unthreshed grain in the Prairie provinces.

Hon. Arthur M. Pearson: Honourable senators, before I commence my remarks in respect of this bill I should like to say that I have great admiration for those honourable senators who are members of the legal fraternity and who did not participate in the debate we have just heard. I think they showed considerable restraint.

Honourable senators, I have nothing but praise for this measure to provide provisional payments to farmers who find themselves in great difficulty by having on their hands unthreshed grain due to the very inclement weather last fall in western Canada. This bill provides for payments up to $3,000. This is, of course, very small, but it will certainly help to cover part of the expense of the last season's work.

However, our problem is not solved by handing out money in the form of loans to the western farmers. It will be solved by selling grain. Major trouble has also been experienced in the shipment of grain, and this has added to the farmers' difficulties, from which they do not seem to be able to escape. To add to their misery, they have such men as the President of the Winnipeg Grain Exchange, Mr. McWilliams, saying in a speech in Regina that the wheat era is past. This did untold damage to farm credit. Similar statements made by a number of other organizations have seriously hurt the grain farmer.

The *Free Press Weekly* of December 6, 1969 asked: What has happened to Canada's wheat trade under the Wheat Board? It then went on to state that the world trade in wheat increased from 856 million bushels in the 1953 crop year to 1,792 million bushels in the 1967 crop year, and that Canada's share of this world trade dropped from 30 per cent in 1953 to 19 per cent in 1967.

We have been reading for many weeks about the tremendous surpluses of wheat in the world. Those who make these statements about the surplus of wheat are, so far as I am concerned, talking through their hats.

In 1953 Canada had 31 per cent of the world trade in oats, and in 1967 our share of the market had dropped to 5 per cent. In 1953 we had 35 per cent of the world trade in barley, and this had dropped in 1967 to 14 per cent. I understand that there is a heavy demand for oats and barley throughout the world today, and yet we have very nearly lost our markets for oats and barley. It seems to me that these statements as to a surplus of wheat are just excuses for not getting on with the job of selling wheat.

As a result of the statements that have been made, and the loss of grain sales, the price of land has dropped considerably. In fact, there have been practically no sales of farm land in western Canada in the last eight months or more.

Farmers in the west have experienced similar conditions more than once in my memory, but there has always been a recovery of markets, and I see no reason why the market cannot recover and, in fact, improve. This could easily happen within the next twelve months, due to climatic conditions in those areas where the yield of large wheat acreages may be cut because of dry weather or frost.

Honourable senators, in the 1920's a good many farmers were gambling on the Winnipeg Grain Exchange. There were bucket shops in many villages and in all the cities of the west, and many farmers gambled everything they had, and lost. The Grain Exchange got a very bad name throughout western Canada.

In those days an organization of farmers in Saskatchewan was promoting the idea of orderly marketing. They were advocating the pooling of all grains, and the setting up of a central selling agency. This idea caught on quickly, and it was because of this that the three great pool elevator companies in Saskatchewan, Alberta, and Manitoba were formed.

At first these pools sold their grain in the regular market of that day through the Grain Exchange, so that really all they could do was to give what they said was better grades for grain, and also give the farmers a sense of security in causing them to feel that their own organization was selling to the best advantage. As a result of considerable agitation which culminated in 1935, the federal Government set up the Canadian Wheat Board, which was empowered to buy and sell wheat and coarse grains for either local consumption or export. There was still an open market for those who preferred to sell in that way, but this was closed in 1943, during the Second World War. The farmers in western Canada felt they were really on the way towards having an orderly market, which has been the way of western Canada ever since 1935-40.

Finally, an agreement was reached by which all major exporting countries agreed on a maximum and minimum selling price for wheat. Due to selfishness and a feeling of need for more money for their own farmers, some of these countries lately have made deliveries outside this agreement. Gradually the gentleman's agreement has been falling apart, and our original theory of an orderly market has been broken down.

For this reason I think that our Wheat Board needs to be re-activated. I am proposing that a world agency be started by our Wheat Board to sell our wheat. The men in this agency, who would be appointed by the Wheat Board, would be remunerated on a commission basis. They, in turn, would appoint sub-agents who would also work on a commission basis for this agency. In other words, superintendents of agents would be granted certain areas such as Southeast Asia, India, Japan, Brazil, North Africa, and so on, and they would be authorized to make deals for the wheat as long as it was paid for by a given time.

To assist these superintendents we would establish warehouses in strategic locations throughout the world. We would not have to establish them all at the beginning, but we could select one or two strategic points and see how it worked out. The Wheat Board would own the wheat in these warehouses, which would be kept full all the time. This would avoid having our grain held up at the whim of Canadian labour or by transportation problems in our own country.

My idea is that this agency should work on a commission basis. We have had enough bureaucratic bodies set up on the backs of farmers. I believe that an agency selling on commission would get out and work to the advantage of the Wheat Board and of our farmers. Such an agency would probe every possible chance of making a sale, rather than just saying: "Well, if they want this wheat, they know where they can come and get it." In the past year we have missed a number of what might be considered small sales. This was due to the fact that we had no active agent in those particular areas, nor did we have grain in strategic places.

This agency should advertise all possible ways of using wheat, other than just making flour for bread. The grain could be crushed, and coarse biscuits made, which would help the poor of these nations in Asia, et cetera. They could buy five, 10, or 20 pounds of wheat and crush it themselves for biscuit making. It would be very much cheaper than having it milled and made into bread.

I believe today that we are in great competition with some nations in selling our wheat, and unless we take positive action we are going to lose our hope of selling wheat to Europe.

When I was in Germany just prior to the formation of the European Common Market, I was at a cocktail party with some businessmen and naturally our conversation got around to wheat. These men were particularly concerned about the role France was about to play in this closed market with regard to wheat consumption. The French were insistent at that time that her partners in the Common Market must take a certain number of tons of French soft wheat. The French were subsidizing their producers of wheat heavily at this time, and still do as a matter of fact. If they could be sure of the market, then a great deal of their submarginal land could be brought under cultivation again. This is exactly what has happened. So, now Canada is in fourth position as an exporter of cereals. France has superseded us and is now in second position.

I might add that the German businessmen said that they preferred a certain amount of Canadian hard wheat mixed with their own

type of wheat to make flour. They have had to adjust their milling, of course, to the soft wheat of France.

At the present time there is a possibility of Britain gaining entrance to the Common Market. Will the same situation as took place between France and Germany occur? Britain is one of our great importing countries, taking something like 75 million to 100 million bushels a year. Will France insist on Britain accepting their subsidized wheat? If they can make the pressures strong enough, we shall lose our British market, which has been very good for Canada.

An article by Arthur Blakely which appeared in one of the Ottawa newspapers of December 10, 1969, stated:

> Asked if the Canadian Government had made any specific proposals to the British government in relation to the latest British application to join the Common Market, Mr. Pepin replied: "No. We have kept them very well informed what our situation is, what our views are. We have a commitment from them to keep us very well informed on events—on developments—in the negotiations for entry. And I think this is all you can ask—"

Is this what is called "orderly marketing", which has been the watch-word of our pools, Wheat Board and Government for years? Or is France doing battle for our markets in an all-out fight by using pressure on her partners and would-be partners to gain control of all European grain markets? I personally think so. In my opinion it is time for our people to awaken, before we lose all our markets to France and the United States. Orderly markets may be our watchword, but it does not seem to be the watchword of other grain exporters. I hope the Government will act.

Honourable senators, for these reasons I think that we should form a central selling agency, which will buy its grain from the Canadian Wheat Board and establish agents throughout the world on a commission basis to sell our wheat. At the same time we should always be ready to return to orderly marketing of grain whenever the other producers are ready to do so.

Hon. Hazen Argue: Honourable senators, this debate dealing with wheat is pretty much a Saskatchewan debate in that I believe there are now four senators taking part in it, all of them being from Saskatchewan. If we could hear from Senator McDonald and Senator Boucher it would be complete.

Hon. Mr. Aseltine: One hundred per cent.

Hon. Mr. Argue: This legislation is important, well accepted and required. The necessity for this legislation is not quite as great as when it was first considered a month or more ago, because we have been most fortunate in having some excellent weather on the prairies in the last few weeks, so that a good deal of grain that was out a month ago has since been harvested. However, there is still some acreage unharvested, and therefore this legislation is necessary.

I believe it was eighteen years ago, in 1951, that legislation was first presented in the other house by the Right Honourable C. D. Howe, then Minister of Trade and Commerce, which at that time provided government guarantees to the banks lending money against unthreshed grain. In that debate many speakers thought the Government was taking a terrible risk with government funds in guaranteeing bank loans against grain out under the snow. Experience at that time and since has shown that the farmers are very ingenious; they have harvested their grain in the spring, they have paid their loans, and that legislation has proven of great value to farmers and to the Canadian economy generally.

In 1956 there was a tremendous debate in the other place on the whole question of interest-free cash advances. I think it was during that debate that a good deal of progress was made towards the ultimate attainment of the type of legislation about which we are speaking tonight, namely, interest-free cash advances in an extraordinary situation to farmers who have grain in store, or under this legislation grain under the snow, and are unable to obtain an income because of special circumstances.

I was interested to read the speech of Senator Aseltine, who I think brings to this chamber an intimate knowledge of the grain situation. He makes a sensible contribution, and I am sure that all honourable senators pay a great deal of attention to what he says.

Hon. Senators: Hear, hear.

Hon. Mr. Argue: I listened to Senator Pearson. He too is a man who comes from grain-growing country, probably some of the best land in western Canada, and he too knows the very difficult situation prevailing at this time. I am pleased to note that he has put forward some ideas on how we might endeavour to market larger quantities of this grain. However, I would have to be convinced

that the suggestion he made would result automatically in any increase in the sale of Canadian wheat. Personally, I think it is not so much a question of salesmanship as of things much more fundamental than that. It is a question of accepting goods from other countries, and the availability of grain supplies in other countries. Nevertheless, any idea that is put forward should be considered, and I hope the Government and the Wheat Board are considering suggestions of the kind made by Senator Pearson.

As honourable senators know, the wheat situation can change very drastically from time to time. A few years ago it was the conventional wisdom of all the experts that what producers had to do was produce more grain, and there would be a market for everything that could be produced. Now the conventional wisdom seems to be changing in the other direction, and all those experts, whose salaries the federal Government pays, are now saying that it is a black pitch, that there really is no hope, and what we must do is reduce the acreage, reduce production of one agricultural commodity after another. The experts were proven wrong a few years ago, and I expect that in a few years time what they are now saying will be proven wrong once again. I therefore hope that the Government, and others who are considering the facts of this situation, will bring a little optimism to bear on prevailing conditions and try to solve the problem by positive measures rather than by giving up, by adopting desperate measures of capitulation and saying that all we can do is to pass around the money within Canada to pay farmers at a subsistence level not to produce and go out of production.

Two days ago, the Honourable Otto Lang, the minister in charge of the Canadian Wheat Board, announced that a very large sale of Canadian wheat was being made to the Soviet Union. There are those who belittle the size of the sale; there are those who relate it to over-all production and the inventories of grain in this country and say that it does not amount to very much. I think it is a tremendous sale. I think the Minister, the Government and the Wheat Board are to be congratulated on making this sale of some 75 million bushels within the present crop year. I have checked the figures, which show that last year we exported to the Soviet Union 1¾ million bushels of wheat. This year we will be exporting to the Soviet Union forty times as much as we exported last year. I believe we should all agree that the Government has achieved a very important breakthrough in the sale of grain to the Soviet Union. We should urge the Government to continue this kind of effort and try to solve the grain problem by expanding our exports rather than capitulating to the so-called experts and say that we will pay the farmers a few dollars an acre to go out of business and continue in a state of poverty.

We have now had the Outlook Conference. I placed a series of questions on the order paper, and I wish to thank the Leader of the Government (Hon. Mr. Martin) for the expeditious manner in which he has sought out the answers to these questions. I thank him for his timing. The questions have been answered today; I have the information in front of me, and I think it fits very well into the subject under discussion.

Honourable senators have asked me privately, as have people all across the country: if there is too much wheat, why do not the farmers produce less wheat and produce more of something else? It is a reasonable question to ask. After the Outlook Conference, where there were assembled all the ministers of agriculture from the provincial governments, experts from the provincial governments and farm organizations, what is the outlook? The outlook, according to the experts, is that we should cut back at least 10 million acres of our wheat production, that we should cut the acreage from more than 30 million acres to 20 million acres. If you tell a practical farmer to cut back his wheat production he will say, "Fine, I am willing to do it. I would like to do it. But what will I produce instead?" Some experts tell him to produce oats or coarse grain. What did they say at the Outlook Conference?

They said that there should be some reduction in oats below the 1969 acreage of 7.9 million towards an annual level of about 6.5 million. So, the experts say: you are producing too much wheat and too much oats. What about barley? The answer provided is that an average yield from nine million acres seeded to barley will be sufficient supply for 1970-71. What they are admitting is that nine million acres is down about a half million acres from the amount of barley produced this year. They are saying there is too much barley cut.

What do they say about flax and oilseed crops? They say there will be an acreage reduction in flax from the 1969 level of 2.4 million acres to a level of 1.5 to two million acres for each of the next two years.

Too much wheat, too much oats, too much barley, too much flax! Well, we have not obtained very much from that experts conference so far.

What about rapeseed? Senators know that rapeseed has been a very excellent crop in the northern parts of the Prairies. The market has been excellent and the return has been good and farmers feel that this is a kind of a Cinderella crop. The experts say it would appear desirable that for 1970 rapeseed acreage be maintained at about 2.2 million acres. "Just leave it alone, do not increase it."

What do they say about corn acreage? I have the news release of the Department of Agriculture in my hand and it says:

> We can and will use more Canadian corn for feed, cutting down on grain imports for livestock feed this year.

This, coupled with other statements I have heard, indicates that we can increase corn acreage but this increase will come in Central Canada such as in Quebec and Ontario.

I ask honourable senators, no matter from what part of Canada you come, does it make any sense at all for an Outlook Conference to suggest that we increase the production of one feed grain in one part of Canada when the farmers in another part have so much feed grain on hand that these very same experts are telling them to reduce their acreage? Would it not have been much more sensible to say there can be an increased market for Prairie oats and barley in eastern Canada to supplement the corn imports coming in from the United States? If somebody says that corn is a better feed than oats and barley, I think it is a debatable point. I would argue that wheat is still a better feed than corn. We have lots of wheat and if they are fussy about oats and barley, we can provide them with some very high-quality, high-protein wheat—the best wheat in the world. We would be delighted to sell it for livestock feed in Ontario and Quebec.

So far I do not think the experts have come up with anything very encouraging for the grain producers of this country. The experts have been wrong before. They went to solve the dairy situation and they only confounded it. They have transferred a situation where there was a surplus of butter to one where there is a huge surplus of milk powder. I do not think the situation has been improved at all. What they are succeeding in doing is to exterminate, to a very large degree, the cream production industry on the Prairies where the farmers today are desperately short of money and are prepared to go out and produce butter, because it is now becoming a deficit area. They are exterminating the production on the Prairies so that we are going to be importing butter—indeed, we already are. They have not assisted the farmers to supplement their income in this very difficult time, and steps have to be taken to solve this situation.

I made a long speech some time ago in which I urged that the Wheat Board and the Government should provide an amendment to the Canadian Wheat Board Act so that the proper storage of grain on farms could be brought into the grain system, that the farmers be paid a reasonable amount and that this asset be protected for our Canadian nation.

I think positive thought should be given to increasing Canadian markets, and I would suggest to the Government and to the Minister of Agriculture that there should be a Canadian conference of authorities called to deal with the expansion of trade, and specifically with the expansion of markets for Canadian grains and livestock products. At that conference the kind of suggestion Senator Pearson made here tonight could be considered, because we have to have increased production.

When the experts went on to consider cattle and hogs they made no recommendation for increased cattle production in this country. The Premier of Saskatchewan has undertaken a very laudable program. The provincial legislature has provided for bank loans at 7 per cent interest for the purchase of female cattle, with the Government of Saskatchewan subsidizing the interest rate over and above the 7 per cent. This is an excellent step that has been taken by the Province of Saskatchewan.

When it comes to hogs they say we might be able to market an additional one million. Well, you can produce these hogs from the grain production of less than a million acres. When you consider that this is just 10 per cent of the amount they are recommending with regard to wheat acreage being reduced, even this suggestion is very small in relation to the over-all need.

I was saying that I feel the federal Government should call a conference on export policies in relation to feed grains and wheat and to see what ideas can be suggested for increasing our markets. I also suggest that the Government offer a series of prizes to reputable Canadians to come up with research papers on how Canada's export grain market

can be increased. If such a conference and program were undertaken I think some excellent policies would be forthcoming, and worthwhile action could result.

In reading about world conditions I note that food production has gone up all over the world. It is still a fact that the majority of people in the world are undernourished and need our food. It is also true that the vast majority of people are short of protein, and if they do not need our grains they need our meat products. A few years ago a very learned authority in Canada made the statement that on this continent we would, at some future date, have to quit eating meat because the world required grains to be eaten directly, a method by which more people could be fed. The world needs our protein. I would suggest to honourable senators, to the Leader of the Government in the Senate, to the Government, and to the farm organizations, that they should change their thinking, away from an apparent drive towards a curtailment of acreage and an artificial curtailment of production, to positive measures to provide markets for Canadian grain.

Hon. A. Hamilton McDonald: Honourable senators, I am about to move the adjournment of the debate. Before doing so, I wish to say it is not my intention to hold up this legislation. As it will not be given royal assent until later this week, perhaps I will have an opportunity tomorrow or on Thursday to speak to it.

Hon. Mr. Aseltine: That will make the debate 100 per cent Saskatchewan.

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

BANK ACT

BILL TO AMEND SCHEDULE A—SECOND READING

Hon. Maurice Bourget moved the second reading of Bill S-13, to amend Schedule A of the Bank Act.

He said:

[*Translation*]

When reading the explanatory note of the bill, it is easy to see that its purpose is very simple indeed. Schedule A of the Bank Act provides that the other name under which the Banque Canadienne Nationale is authorized to operate is National Canadian Bank. For some time now, however, the Banque Canadienne Nationale has been using the acronym B.C.N. which does not represent the second name under which it can operate under the act.

Thus it is asking Parliament to change the second name of the Banque Canadienne Nationale as it appears in Schedule A of the Bank Act, that is, to replace National Canadian Bank by Bank Canadian National so that the letters B.C.N. will correspond to both names.

These are the only explanations I have on this bill which, as I said, is very simple.

I must also add that the Inspector General of Banks has seen this bill and does not object to it.

Therefore, if it is adopted on second reading and notwithstanding Rule 45(1)(b), I intend to ask that the bill, with the unanimous consent of the Senate, be given third reading immediately.

[*English*]

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Bourget: I move, with leave of the Senate, that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1969

SECOND READING—DEBATE ADJOURNED

Hon. Keith Laird moved the second reading of Bill C-7, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January 1969, to the 30th day of June 1970, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

He said: Honourable senators, I cannot guarantee to be as short as honourable Senator Bourget but, after all the controversy which took place a short time ago in this House, I can at least promise you a simple and easy bill to deal with.

The short title to this bill is the Canadian National Railways Financing and Guarantee Act, 1969. A bill in similar form has appeared perennially before the Senate. I should say at the outset that it is my intention, if it receives second reading, to move that it be referred to the Standing Senate Committee on Transport

and Communications so that more details can be obtained by honourable senators if they so desire.

My only purpose tonight is to point out seven main objectives of the bill, and in due course to move that it be considered in committee.

First, the bill would authorize capital expenditures by Canadian National Railways not exceeding $201,700,000 during the 1969 calendar year. This level of expenditures compares with $189,400,000 authorized previously for 1968, excluding the amount required in that year for investment in Air Canada.

I should pause at this point and remind you that Air Canada is a subsidiary of the Canadian National Railways.

Hon. Mr. Haig: It is owned by Canadian National.

Hon. Mr. Laird: Yes.

The bill also contains technical provisions authorizing Canadian National Railways to make expenditures not exceeding $82 million between January 1 and July 1, 1970, for obligations incurred prior to January 1, 1970 and to enter into contracts before July 1, 1970, for capital expenditures not exceeding $113 million for which payment will not come due until after 1969.

Second, the bill contains a provision authorizing Canadian National Railways to borrow $19 million for financing all branch line construction. Until recently, each special statute for construction of a branch line has included authority for financing its construction, and branch lines not requiring special legislation have been financed out of self-generated funds. In addition to covering all branch lines, the provision in the resolution and the bill based upon it are consistent with the intent of reflecting in the financing and guarantee bill all the financing authorities which Canadian National Railways require.

Third, the bill would provide for the continued purchase by the Minister of Finance of Canadian National Railways 4 per cent preferred stock through to the end of the calendar year 1970. This continues the practice of previous financing and guarantee acts. The 1968 Financing and Guarantee Act extended to December 31, 1969 the expiry date of the authority granted by Canadian National Railways Capital Revision Act of 1952 for the purchase of such stock equivalent to 3 per cent of the company's gross revenue.

Fourth, and for the same reasons, the bill would extend until the end of 1970 the moratorium on interest on the government loan of $100 million to the railway company authorized by the Capital Revision Act of 1952.

Fifth, as in previous years, the bill would provide authority for the Government to make temporary loans to Canadian National Railways and Air Canada to meet deficiencies in operating revenues up to June 30, 1970. Any such loan is repaid later from revenues of Canadian National Railways and Air Canada or, if these prove insufficient, the loans are written off through parliamentary appropriation.

Sixth, the bill contains an option similar to that contained in the 1968 Financing and Guarantee Act which would enable Air Canada to borrow $165 million either directly from Her Majesty or by means of a guaranteed public issue.

Seventh, the bill would provide for the appointment of the firm of Touche, Ross and Co. of Toronto and Montreal, chartered accountants, as auditor of Canadian National Railways for the calendar year 1970.

Finally, I would point out that the present bill makes no provisions for enlargement of Canadian National Railways authority to refinance, which at present stands at $680 million and is considered adequate for the period covered by the bill.

Those are the main points of the bill, honourable senators. To assist you in any discussion that may take place here or in committee, perhaps I should point out that I have read with some degree of care the debate in the other place and noticed that the principal issue discussed there was the abandonment of certain specific branch lines—whichever ones were particularly of concern to the member speaking.

This debate took place in the middle of November. I want to point out something which is probably well known, that jurisdiction to permit the abandonment or discontinuance of branch lines rests with the Canadian Transport Commission. And in reading *Hansard* from the House of Commons I noticed that there seemed to be a grave concern that somehow or other those hearings would not be held because there is actual power, oddly enough, in the Canadian Transport Commission to make a decision of this kind without a hearing. So I want to reassure you on that point, and perhaps avoid a problem.

On December 2 the Chairman of the Canadian Transport Commission, the Honourable John Pickersgill, speaking to the Canadian Association of Movers of hearings in connection with the proposal of the railways to discontinue certain branch lines, gave this assurance without equivocation. I quote:

> No discontinuance will be approved without a prior public hearing at some convenient location in the area involved. Ample notice of the hearing will be given and any person or party will be afforded an opportunity to present views on the matter.

Hon. Mr. Fournier (Madawaska-Restigouche): Where did you get that statement, please?

Hon. Mr. Laird: I mentioned a moment ago, Senator Fournier, that it was from a speech delivered on December 2 by the Honourable John Pickersgill, to the Canadian Association of Movers. I would be very pleased to furnish you with a copy of the whole speech.

That should be reassuring to those individuals who have a particular concern about a branch line being abandoned without proper notice or proper opportunity for making suitable representations. So I thought, rather than let this debate continue here on a basis such as it did last month in the House of Commons, under a misconception, I should make it plain that Mr. Pickersgill has committed himself.

The Hon. the Speaker: Order, please. I hope that the honourable senator is through with that line of argument. I must assert that we should be very careful to say nothing that might reflect on the way debates are conducted in the other house. I trust that the honourable senator will refrain from remarks that might reflect on the other house.

Hon. Mr. Laird: Thank you very much, Mr. Speaker. Naturally, I had no thought of reflecting on the way debate was conducted in the other house. I was merely trying, if possible, to avoid the prolongation of this debate.

My second point which may be helpful to honourable senators is to draw their attention to the fact that in the other place two questions were referred for more mature consideration to their Standing Committee on Transport and Communications. Those questions were, first, the problem of the Canadian National Railways whole financial structure, and, second, the problem of Canadian National Railways pensions.

This is a rather brief resumé of the provisions of the bill. I repeat, that so far as details are concerned it is my intention, if this house sees fit to give second reading to this bill, to move to refer it to the Standing Senate Committee on Transport and Communications.

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

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, December 17, 1969

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Capital Budget of the Northern Canada Power Commission for the fiscal year ending March 31, 1970, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1969-2120, dated October 30, 1969, approving same.

PRIVATE BILLS

McOUAT INVESTMENTS LIMITED—FIRST READING

Hon. Lazarus Phillips presented Bill S-15, respecting McOuat Investments Limited.

Bill read first time.

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

Hon. Mr. Phillips (Rigaud): Honourable senators, notwithstanding Rule 44(1)(f), I move, seconded by Senator Prowse and with leave of the Senate, that this bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

BUCCANEER INDUSTRIES LIMITED—FIRST READING

Hon. Lazarus Phillips presented Bill S-16 respecting Buccaneer Industries Limited.

Bill read first time.

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

Hon. Mr. Phillips (Rigaud): Honourable senators, notwithstanding Rule 44(1)(f), I move, seconded by Senator Prowse, and with leave of the Senate, that this bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

ICG TRANSMISSION LIMITED—FIRST READING

Hon. Douglas D. Everett presented Bill S-17 to incorporate ICG Transmission Limited.

Bill read first time.

Hon. Mr. Everett moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, December 18, at 2 o'clock in the afternoon.

Motion agreed to.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL, 1969-70

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Sparrow for the second reading of Bill C-157, to authorize provisional payments for the 1969-70 crop year in respect of unthreshed grain in the prairie provinces.

Hon. A. Hamilton McDonald: Honourable senators, it is certainly not my intention to speak at any length on Bill C-157.

When introducing the bill, Senator Sparrow outlined to the house the general need for this legislation, and he also pointed out that the need on the day he introduced the bill was probably not as great as it had been a few weeks earlier. I am very happy to report to the house now that the need today is not as great as it was when the bill was introduced. The weather in western Canada has been extremely favourable. Up to yesterday some farmers were still combining, although it is most unusual to be able to harvest grain in western Canada in December. However, there are large areas of Saskatchewan which still have wheat lying in the swath, with no possibility of harvesting it this fall. In the light of experiences with similar legislation in years gone by, I see no risk involved in advancing payments to our farmers for this grain which will winter in the swath. Experience has shown that on many occasions we have been able to harvest grain in the spring in better condition than some we have harvested late in the fall. So I repeat that I

anticipate no difficulty in harvesting the grain in the spring. I should think that any losses that might be sustained would be within the limits of losses sustained in the past, and we all know that those have been extremely small.

I compliment Senator Sparrow on his address to this chamber in introducing the legislation, and also Senators Aseltine, Pearson, and Argue, all from Saskatchewan, for the contributions they made to this debate. They referred not only to the legislation that is presently before us in Bill C-157, but also to many of the problems that confront western Canadian farmers at the present time. They made suggestions that I think are worthy of consideration by the Government of the day; certainly, they are worthy of consideration by our marketing agency, the Canadian Wheat Board. It is my hope that due attention will be paid to what was said, and perhaps some new methods and new procedures can be introduced that will make Canadian wheat more competitive and available on the markets of the world.

The problem of the wheat farmer today is not located, or even centred, in western Canada. Wheat farmers around the world are experiencing almost the same problems as we in Canada are. Our problem is perhaps more serious in that we have always exported a greater percentage of our total production than any country in the world. But the problems today, as I see them, are caused by overproduction of wheat and rice throughout the greater part of the world.

We all know how farmers in western Canada have been able to increase the production of wheat. The increase in the production of rice in other parts of the world over the last few years has been much greater than the increase we have obtained in the production of wheat. This means that there are far more bushels of rice and wheat looking for markets around the world than ever before in history. This increase in production has been brought about by the discovery of new varieties of cereal grains that are more suited to the areas of the world in which we have been attempting to produce them. This increased production was made possible by better farm practices, better machinery that is available today, and the more widespread use of fertilizers and weed sprays.

Only a few years ago, when the Soviet Union was buying rather large quantities of wheat from Canada, they began to look into some of the reasons for their inability to supply more of their bread wheat from their home production. Many delegations, consisting of agriculturalists, cereal breeders, engineers, and virtually every other type of expert from the Soviet Union, visited Canada and the United States in order to learn the tricks of the trade in western agriculture.

We were told by our Soviet friends at that time that the problems they were facing in the production of wheat were the problems that western Canada faced back in the thirties. The methods of producing wheat in the Soviet Union only ten years ago were almost identical to those used in western Canada 30 or 35 years ago. Western Canada had to find its way out of its difficulties at that time through experimentation and research, and it was a slow process. The Soviet Union does not have to do this today, because it can come to our country, and to the great country to the south of us, and learn our techniques and methods, and this they have done. I am one who believes that they will be able to adopt North American methods to produce far more wheat grain in the future than in the past. So, I do not think we can look forward to huge sales in the Soviet Union over the coming years.

Like all honourable senators, I welcome the most recent sale to the Soviet Union. It is not as large as some sales that we have made in the past, but any sale of Canadian wheat in the amount of 75 million bushels, to be delivered during 1970, is very welcome to this nation, especially to the farmers of western Canada.

I am not quite as optimistic as some of my colleagues with respect to the future of cereal grains for Canada. Part of the reason for that is the changes which are being made, both with regard to the varieties and to the farm practices in other parts of the world. Most of those changes are taking place in countries that over the years have been good customers of Canada for cereal grains.

The Canadian Wheat Board—which is the sole marketing agency for wheat in Canada—by and large, over their years of experience, have done a good job for the western Canadian farmer and for Canada as a whole. But I wonder if the board in its present form can do as good a job for us in the future as it has in the past. World conditions have changed, not only with regard to production but as to the milling and baking techniques that are available today.

Most honourable senators have travelled through various parts of the world and have had the opportunity of tasting a first-class

loaf of white bread that has not an ounce of hard spring red wheat in its making. This has been brought about by the changes, I repeat, in the milling and baking techniques that are available today. I do not believe that the Canadian Wheat Board, as at present constituted, can be aggressive enough to meet world competition and to sell wheat in the quantity in the future that it has in the past.

I was very interested in some of the proposals put forward by my colleagues, Senator Aseltine, Senator Pearson and Senator Argue. I believe that we have arrived at the point where we must put some Canadian salesman on the road selling Canadian wheat on commission. A hungry salesman will sell a lot more wheat under competitive conditions than will a civil servant getting a salary and a retirement pension paid by the western farmer. I believe that the time has come for a change in methods in this Government institution—and I call the Canadian Wheat Board a Government institution. It is not a farm organization—to say it is, is utter nonsense—it is a Government institution.

I believe that unless we are prepared to get out and meet competition with active salesmen, there will be organizations in Canada prepared to operate in competition with the Canadian Wheat Board. All we need do is look at some of the resolutions recently passed by farmers' organizations in western Canada. We live in a new world respecting grain sales, and we had better adopt new policies to cope with this new situation. The Government of the day has made some moves that have been beneficial to western Canadian agriculture in recent months, and this bill is another move that will be helpful to producers in western Canada.

I should like to refer to perhaps half a dozen moves that have recently been taken, which have been of benefit to western Canadian farmers, although they are not the complete answer to our problems. The answer to our problems is to dispose in the world markets of huge quantities of western Canadian grain, not only wheat but coarse grains as well. It will be recalled that only a few weeks ago there was before us a piece of legislation that made it possible to double the interest-free cash advances made available to western Canadian farmers. This was welcome legislation; it was helpful, but it does nothing to sell western Canadian grain. We produce that grain to sell, not to store, and not to take cash advances on it. However, I repeat that the legislation was helpful, and was certainly welcomed by western farmers.

It will also be recalled that not very long ago improved credit facilities for export were made available. This too was a very welcome piece of legislation, and one that will help us get into some markets of the world that would be impossible for us to penetrate without increased credit facilities being made available for this purpose.

Thirdly, it will be recalled that a few weeks ago we passed legislation setting a fixed price for wheat sold for human consumption in Canada. The fixed price was not as high as western Canadian farmers would like to see, but at least it is a principle for which the western farmers have been fighting for years. We have our foot in the door with a floor price, although it is not as high as we would like, for the sale for human consumption of wheat in Canada. That is a very welcome legislation, and is a good step forward.

Fourthly, honourable senators will recall that very recently the Honourable Otto Lang, the minister responsible for the Canadian Wheat Board, set up a Canadian Grain Group. This, of course, will bring together the Department of Agriculture, the Department of Industry, Trade and Commerce, the Department of Transport, and agencies under these departments. Too often in the past, departments of government have been working at loggerheads rather than co-operating with one another to bring about the most efficient system for sales and transportation of western Canadian grain. I am sure all of us welcome this forward step.

In addition, the Task Force on Agriculture will, I expect, be reporting to this chamber and to the other place very shortly. It is my hope that it will have some recommendations on production, distribution and sales of western Canadian grain.

A sixth move made by the Government of the day is the establishment of the Canadian Grains Council, led by the head of the United Grain Growers. I think they can be instrumental in helping the departments to which I referred a moment ago solve some of the problems facing western Canadian agriculture.

I repeat, this problem of surplus wheat is not one that can be solved by the Parliament of Canada. It can be solved only if Canadians and people in other parts of the world come to realize that we would all be much better off if we learned to live and let live.

Western Canadians often talk about free trade. In my opinion western Canada could no more live with free trade than can any other

part of Canada; but in western Canada we can live with a much freer trade than we have today. I am one of those who believe that, if we produced those goods and services, we could openly compete with the world and exchange them for goods and services which other people can produce cheaper and perhaps better than we can. Then, all of us, whether we live in Ontario or Saskatchewan, will be better off.

The industry of this nation has been protected too long. Certainly, industry had to be protected in its infancy, but surely after a hundred years we are not still in our infancy. We in western Canada by and large sell our products on the open free markets of the world, but we are compelled to buy the goods and services that we require to produce and to live on a home protective market. Honourable Senators, no man can survive forever under these conditions!

The Government of the day has opened up some tariff relief recently, at a date much earlier than it was committed to, and we in western Canada appreciate that. However, I say again to you that we in western Canada believe in much freer trade than we have today. We also say, let those who can produce and compete survive, and let those who cannot produce and compete go by the board and get into an industry where they can produce for world markets and buy on world markets as well.

I was interested yesterday in the remarks of Senator Argue when, in referring to the often good advice to western farmers that they ought to diversify, he pointed out to you the difficulty: what are we going to diversify to? Really, there is only one product that Canadian western farmers could turn to and increase their production in without creating surpluses within twelve months, and that is cattle. The protective capacity of western Canada today as far as agriculture is concerned is such that, given normal conditions, we can produce a surplus of anything in the line of agricultural products that it is possible to produce in western Canada within twelve months. That is, with the exception of cattle. So what are you going to diversify to?

Hon. Mr. Argue: It just takes a little longer with cattle.

Hon. Mr. McDonald: It just takes a little longer with cattle, yes, and it costs a lot of money. If the western farmer is going to change from a cereal producer to a cattle producer, he must make the decision that he is going to produce cattle for at least ten years as a minimum. If he has three or four sections of land and wants to put that land into grass and go into cattle, how much money would be involved? Well, I know one thing: you are talking about more money than it is possible for any farmer in western Canada to lay his hands on; and if he paid the interest rates that are being demanded and received by the lending institutions today, he would not have a viable operation anyway because the profits in livestock, including cattle, are not great enough for any farmer to pay anywhere from 9 per cent to 15 per cent, and sometimes even as high as 18 per cent.

Senator Argue referred to the policy of the provincial government of Saskatchewan in making money available to farmers to buy breeding cattle with an interest ceiling of 7 per cent, with the difference between that and whatever they will have to pay finally being subsidized by the provincial government. That is a good program, but it is limited. If you are going to take all the land out of wheat that should be taken out to get production down in line with consumption, there is not enough money in the provincial treasury to do the job at any interest rate. These are some of the problems we are facing.

But, even the Government of the day sometimes creates problems for us. Here we have the Government of Canada and the Government of Saskatchewan, and virtually every other government in Canada, telling farmers that they must take land out of production. But what are these governments doing at this very moment? In the Province of Saskatchewan they are cutting down bushland and bringing it under cultivation. On the one hand, the Government is advocating taking land out of production, and on the other hand it is spending the taxpayers' money in order to bring new land under cultivation. And that land, honourable senators, is land that never should be brought under cultivation in the first place.

We have some people in our departments of agriculture and elsewhere who are called soil specialists. Well, I say to you that not one of them ever produced a bushel of grain or a bale of hay. At this very moment under ARDA the Government of Canada and the Government of Saskatchewan have entered into an agreement to tear down a further 1,500 acres of bushland in southern Saskatchewan. We have only about ten times that number of acres to begin with in the whole

area of southern Saskatchewan, and they are going to take 1,500 acres of it to make a community pasture when just outside the wooded area there are thousands of acres of submarginal land which the farmers who own it would be only too glad to dispose of either to the national government or the provincial government. It would be much more suitable to put that land into grass in order to increase cattle production than to follow the other course. I say it is folly for any government to be bringing new land into cultivation under the conditions that exist in western Canada today. I doubt the wisdom of taking bushland out of southern Saskatchewan and putting it into cultivation under any conditions, much less the conditions that prevail today.

Let me conclude by referring again to Bill C-157. The legislation will be utilized especially in northwest and northeast Saskatchewan. This bill will give farmers the opportunity to borrow up to $3,000 interest free on grain that is in the fields. I think the assets are quite sufficient to support these loans, and I believe that any losses that might be suffered by the government of the day or by the people of Canada will be small, indeed, compared to the benefits that those people will derive. It is unfortunate that this legislation could not have been passed early enough in the year that the farmers could have borrowed this money, or taken this advance, prior to the Christmas season. However, I hope they will have it in time for New Year's.

Motion agreed to and bill read second time.

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

Hon. Mr. McDonald moved on behalf of Senator Sparrow that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

LABOUR CONDITIONS

STRIKES BY EMPLOYEES IN THE PUBLIC SERVICE—NOTICE OF INQUIRY

Hon. Donald Cameron: Honourable senators, as I have to go out of town for 24 hours, I ask leave to revert to Motions.

Hon. Senators: Agreed.

Leave having been given to revert to Motions:

Hon. Mr. Cameron: Honourable senators, I give notice that on Friday next, December 19, I will inquire of the Government:

1. How many strikes affecting our national airlines have taken place in the last 2½ years?

2. What are the names of the unions which caused the strikes and what are their affiliations?

3. What was the duration of these strikes?

4. How many employees were involved in these disruptions of air traffic?

5. How many strikes have been called by the postal unions in the last three years?

6. How many employees were involved in these strikes?

7. What was the duration of these strikes?

8. What other unions involved in the public service, either provincially or nationally, have gone on strike in the last three years?

9. What was the duration of each of these strikes and what was the number of employees involved?

10. What departments of Government were involved in these strikes?

11. Who were the Government officers negotiating on behalf of the Government?

12. What qualifications did these men possess for dealing with industrial disputes?

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1969

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Laird for the second reading of Bill C-7, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January 1969, to the 30th day of June 1970, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Hon. Allister Grosart: Honourable senators, Bill C-7, the short title of which is Canadian National Railways Financing Guarantee Act, 1969, provides for the spending or lending of

public moneys amounting to perhaps $1 billion. I say "perhaps" because I have no way of knowing from the bill itself or the explanation given by the Government what the total amount involved may be. All I can say positively at this time is that the dollar figures in the bill add up to at least $660 million, and there are additional provisions committing the public purse to meet future deficiencies of both C.N.R. and Air Canada, so that the $1 billion figure which I have just mentioned as the commitment we are asked to make today is probably close to the mark.

My reason for commenting on the size of the amount involved is to suggest to honourable senators that the level of financial disclosure that the Government has decided to give Parliament at the time of introducing this bill falls far short of what could reasonably be expected to result in an intelligent and responsible parliamentary decision at this time.

In saying this I am not criticizing the sponsor of the bill in this chamber. Senator Laird has given as full an explanation as the Government in its wisdom or otherwise has decided to allow us to have. Indeed he went somewhat further than his speech sponsoring the bill last night, and additionally he has given me some information privately which has added to my own knowledge of the subject and for which I now thank him publicly.

I am certainly not going to assert that I understand this bill. Like most honourable senators, I think I have developed some competence in reading a balance sheet or financial statement, but any such competence is quite useless, to me at least, in attempting to understand what this bill is all about. I repeat, from the wording of the bill itself and from any explanation given by the Government, it is certainly not readily understandable. Perhaps the best I can do at this particular time is to indicate some of the areas of nondisclosure in which it seems to me that much more information should be given to any legislative body at the time it is being asked to commit the public purse to amounts as large as these.

I am not permitted to refer in detail to the legislative course of this bill, but within the rules, I think I can say that perhaps more information would have been available to us at this time if this bill had gone to the appropriate standing committee in the other place. It did not go to that committee but had a short run in Committee of the Whole. Now it comes to us, and I am pleased that the sponsor of the bill has said that it is his intention to refer it to our own appropriate standing committee, so that at least it will have its first examination by a standing committee before being passed.

It is true that during the course of the legislative process of this bill so far, the Government apparently had a change of mind—perhaps not an entirely voluntary one—and referred the subject matter or part of the subject matter of the bill to the appropriate standing committee of the other place. That does not, of course, alter the fact that it was given third reading and passed in the other place without going to a standing committee.

The usual excuse given for the low level of disclosure of information in a bill such as this is that this is "the usual C.N.R. financing bill." Honourable senators, I suggest that it is not the usual C.N.R. financing bill—it is a most unusual bill in many respects.

I have already indicated the history of this bill. As I said, it comes to us without having been examined by a standing committee of the other place. I have also pointed out that that was the original decision of the Government, and it was only a later decision to refer part of the subject matter to a standing committee. This again was, I suggest, involuntary, for the reason—and I think I am allowed to speculate on this—that the Government had some concern as to whether the bill would pass. So they found it necessary to come to the kind of arrangement which was made. I say that because the opposition to the passing of this bill without further information being given, is mounting all across the country. The demand for an explanation of Government intentions in the matter of Canadian transportation policy has reached the point where I fail to see how the Government can continue on its present course of burying its head in the sand about the gigantic transportation problems that face Canada today. I will indicate some of the matters which constitute the type of proof that exists for that statement.

This month the Air Transport Association of Canada went to the extreme length of passing a non-confidence motion in the Air Transportation Committee of the Canadian Transport Commission. This is an action which surely should wake up this Government, if it has not already been awakened from its long sleep in this matter by other actions taken by similar associations.

The second aspect in which this bill is unusual is in the amount of money to which we are asked to commit the public purse. If this bill becomes law, the C.N.R. long-term

debt, if my arithmetic is correct, will go over the $2 billion mark for the first time in history. So, in passing this bill we are giving assent to the C.N.R. long-term debt going to more than $2 billion.

In saying that, I am not directing any criticism at the present management of the C.N.R. The fact of the matter is that in the last 25 years the operating record of the C.N.R. management has been very good. Honourable senators will be glad to know, for example, that in 21 of the last 24 years the C.N.R. has shown an operating profit. For the present year the annual statement shows a railway operating profit of $18.7 million and other operating profit—hotels, the telecommunications system, etc.—of $22.5 million, for a total of $41.2 million. Yet much of this bill is about how to look after the C.N.R. deficit. The deficit is created by the fact that the interest bill of the C.N.R. this year is $70 million, bringing about a deficit of $29.2 million. Yet, in presenting this bill we heard no word from the Government as to whether it has any ideas on relieving the C.N.R. of this largely artificial burden. As honourable senators are aware, the substantive part of this debt was created a long time ago to solve what was really a political problem when the C.N.R. was created to take over some 78 railway lines, most of which were bankrupt.

Honourable senators, in the last 25 years the C.N.R. has paid interest on a debt which can only be expressed in ten figures—$1,241,000,000—on a total debt which is today $2 billion. Of course, it has not been at that level throughout the years, but it is an indication of the intolerable burden that is placed on this railway and the almost absurd intricacy of the wording of the bill now before us. It is a hodge-podge of attempts to solve problems over the years in which one paragraph is added to another. For example, in a bill which provides for $19 million of funding of new branch lines we find it is broken up and referred to in three different subsections. I defy anyone who has not intimate knowledge of this to explain to me why it has to appear in three different places.

On that particular point, it is impossible for me to understand why the Government would come before Parliament and say, "We want to authorize $19 million in new branch lines in Canada," without even offering to tell Parliament what these branch lines are. The reply may be that the information is available. It is available in the document known as the Capital Budget of the C.N.R. However, that is presented by the Minister of Transport to the Cabinet and is passed by Cabinet, not by Parliament. The only copy of that document I have ever seen is marked "Confidential," and I do not even know whether I am entitled to refer to it. It would seem that any government which was truly anxious to inform Parliament as to what it was doing in passing a bill like this would at least say, "We are asking for $19 million, the purpose of which is to build the following lines...". Perhaps the Government might have been embarrassed in saying that.

Hon. Mr. Bourget: Is not a special bill introduced when a new line is to be built by the C.N.R.? I believe that procedure has been followed in the past. Whenever a new line is to be constructed, a bill containing all the information is introduced. They even set out the average cost per mile of the new line.

Hon. Mr. Grosart: I am grateful to Senator Bourget for his interjection. Although I am speaking from memory now, I think that if he will inquire further into the matter he will find that is no longer the case, because this bill provides blanket authorization, and the very protection that he has so wisely brought to our attention is apparently now being abandoned. This is the kind of thing I am talking about, and I am glad that Senator Bourget raised the question.

Hon. Mr. Bourget: This was the case up until last year when we considered a similar bill for a new line.

Hon. Mr. Martin: He is talking about abandonments.

Hon. Mr. Grosart: No. With due respect to the *sotto voce* interjection of the Leader of the Government that "He is talking about abandoned lines," if the reference is to me, I can assure him that I am not speaking about abandoned lines, but about new branch lines.

Again, I am speaking from memory and I do not pretend to be an expert on this, but if my information is correct I say to him that this is one of the unusual features of this so-called "usual" bill. Whether it is as a result of the bill or ancilliary to it, I am informed that in future there will be no more private bills seeking the authorization of Parliament to fund a new line. I trust I am correct in that; in any event, we can get the information when the bill goes to committee. Again, I say I am speaking from memory and I make no pretence at being an expert in this field.

I have said that this bill is unusual in several ways. Another is in the area to which

the Leader of the Government has just referred, when he spoke of abandoned lines. This bill comes before us at a time when both the C.N.R. and the C.P.R. have before the Canadian Transport Commission applications to abandon 31 railway lines. There is some suggestion that the discussion of the abandonment of railway lines is not in order in considering this bill. Unless His Honour rules otherwise—and I do not intend to take a great deal of time on it—I suggest there are very few subjects that are more relevant to this bill. In my view, a bill which asks for $19 million to build new railway lines certainly is one regarding which it would be quite proper to discuss the abandonment of railway lines.

Hon. Mr. Martin: In any event, they cannot do it without the approval of the commission.

Hon. Mr. Grosart: I do not know to what extent the honourable Leader of the Government considers that remark relevant, because I was not discussing how they would do it; I was merely saying that they have applications before the Canadian Transport Commission. Perhaps the honourable the Leader of the Government thought it should be emphasized. I mentioned that the applications were before the Canadian Transport Commission, and I think that is irrelevant.

The fact is that the railways are asking permission to abandon these lines, and I am not suggesting that they should not. I am not a railway expert, but it is rather interesting to recall that in 1967 Parliament passed a bill called the Canadian Transportation Act which provided, among other things, that if the railways wished or desired to abandon a line which they could prove was not paying but which the Transportation Commission regarded as essential for one reason or another, the railways could apply for, and would in fact get, a subsidy of 80 per cent.

As we are now considering a transportation bill, I think we should be concerned whether this wholesale application to abandon lines is somehow related to the opportunity that the railways might have, in the event of a refusal, to apply for a subsidy of 80 per cent. It may well be that this particular section of the National Transportation Act is not working out in quite the way its sponsors thought it would.

Another respect in which this is an unusual bill is that it provides—although the figures are not mentioned here—for the Minister of Finance to buy C.N.R. 4 per cent preferred bonds. I point out that there is no specific mention of these bonds in the bill, but if honourable senators read the fine print in some other document they will understand that that is what is referred to. Of course this has to be unusual when the cost of money to the Government is what it is today.

I think we should have been told that we are facing a situation in which the Government—and I am not prepared to say whether or not it is acting wisely in this respect—is undertaking to buy the 4 per cent preferred bonds of the Canadian National. We should have been told the rate of interest the Government is paying on the money it is using. I am not saying that there is any other way, but I am speaking of disclosure. It would seem to me that when we are asked to agree to this we should, first of all, be told specifically about the 4 per cent bonds, and what the cost is.

Another aspect in which the bill is unusual is that it comes to us at a time when the C.P.R. has appealed to the Supreme Court of Canada to reverse a ruling by the Canadian Transport Commission with respect to the costing formula they use when they apply for the abandonment of lines. This is *sub judice* at the moment, and I make no further comment upon it.

I have already mentioned the climate prevailing when this bill is introduced. There is the extraordinary resolution of the Air Transport Association of Canada, which appears in even stronger form in its 1968 annual report, where it says that the whole transport situation is in a most difficult position because of the "confusion of Government policy."

Honourable senators, I should like to say something about the amounts of money involved. I shall not go seriatim through the bill, because this information is fairly widely scattered, but if honourable senators are interested in following me through one clause I will refer first to clause 3, headed "Capital Expense". Paragraph (a) of subclause 1 authorizes the National System—that is, the C.N.R., and its now 30-odd subsidiaries—"to make capital expenditures not exceeding in the aggregate $201,700,000 in the calendar year 1969 in the following estimates amounts..." In other words, we are being asked today, December 17, to authorize a capital investment of over $201 million in the calendar year 1969. Does this mean that in the next thirteen days $201 million is going to be spent, if we pass this bill, or does it mean that the money has already been spent? I suspect the latter, and I suggest that if this is so, then Parliament should have been told so

by the minister. I am not criticizing Senator Laird, because what the minister does not disclose his sponsor in the Senate could hardly be expected to know about.

In paragraph (b) of clause 3(1) we are asked to authorize the National System to make capital expenditures not exceeding $82 million, $2 million of which is for branch lines, in the calendar year 1970, for the purpose of discharging obligations that were incurred by the National Company prior to 1970, and have become due and payable for that day, namely, July 1 of next year. I suggest that we are asked to authorize money to discharge obligations that were incurred—it is in the past tense—and that have become due and payable—again, it is in the past tense. The bill does not say the money has been spent. The Government has not told us whether it has been spent. Surely, that is something that should have been put before Parliament.

Clause 3(1)(c) deals with an item of $113 million, and it authorizes the C.N.R. to enter into contracts and so on, and then we have the phrase "for general additions and conversions that will come in course of payment after the calendar year 1969". I may not be very clever about such things, but if any honourable senator can tell me what the phrase "will come in course of payment" means, then I will thank him. I have not the faintest idea of what it means.

There is authorization here for the borrowing of money for the branch lines, and, as I have said, it appears in three places. I would be interested in knowing why. I would be interested in knowing what branch lines we are dealing with, because I presume that they have now been built. As Senator Bourget has said, separate measures concerning those branch lines probably have been before us, but this bill does not indicate whether they are already built. It seems strange to me that we should now be asked to authorize this money if it has already been authorized, as Senator Bourget suggested. Perhaps double authorization is now needed for Government spending. In fact, it might be a good idea.

I have mentioned the debt of $2 billion of the C.N.R. It would be very difficult for anyone who has had as short a course as I have in these matters to say whether it would make sense now to forgive that whole debt, but I do suggest that there should be in the very immediate future a statement of Government policy in respect to it. The railway has asked for it over the years, and the Government remains, as far as I know, silent. The Government certainly is silent as far as concerns any information it might have given us at this time.

Hon. Mr. Martin: The question, of course, has been asked every year. It was asked between 1957 and 1958. It is not a new question.

Hon. Mr. Grosart: That is the most amazing defence I have ever heard of a government policy—

Hon. Mr. Martin: It is clarification.

Hon. Mr. Grosart: —that I should not ask the question now because it has been asked for years.

Hon. Mr. Martin: No, no.

Hon. Mr. Grosart: Well, that is the import of the Government Leader's statement. He said that it is not a new question, that it has been asked for years. I agree. But is that any reason for his intervention that I should not now ask the question?

Hon. Mr. Martin: Of course not.

Hon. Mr. Grosart: Then perhaps the Government Leader will privately indicate to me what the purpose of the intervention was.

Hon. Mr. Martin: I should be very glad to do that.

Hon. Mr. Grosart: Finally, honourable senators, this bill deals also with Air Canada. We still have this strangely anomalous position whereby the financing of Air Canada goes through the C.N.R. There are some indications in statements that have been made, directly connected with this bill, that Air Canada is now to be freed from the monetary umbrella of the C.N.R. I would hope that in due course we might have a statement of policy on that, and also on whether it is the intention of the Government to separate Air Canada completely from its association with the C.N.R. and permit it to operate perhaps as a private company.

Air Canada is making money. Not since a very few years from its inception has Air Canada lost any money, and in the view of some who are quite competent to judge these things the time has come for Air Canada to become a public corporation, in the sense of equity participation by the public.

There are many other things that might be said about this bill, but I make one final reference along the lines of my opening

remarks that I would spend most of my time drawing the attention of the Senate to things that mystify me. I refer to the provisions in clauses 11 and 12 which refer to:

> —amounts placed at the disposal of the National Company—

That is the C.N.R. in clause 11, and in clause 12 Air Canada, which are to be:

> —reimbursed to the Minister of Finance from the annual revenues of the National System—

In other words, they are to be paid back:

> —in so far as such revenues are sufficient, and any insufficiency shall be provided for by subsequent deficit appropriation by Parliament.

I leave it to those who are much more learned in the law than I to make any comment at any time in the future on the extraordinary provision of an act of Parliament which says what shall be done in an appropriation act that will come before us in the future. No doubt the draftsmen were very clever in putting it in this way, but I regard it as an affront to Parliament, particularly to parliamentary control of spending, when it is asked to say in one act of Parliament that an unknown deficiency, if it occurs, will become part of a future appropriation act.

With those remarks, honourable senators, I feel I cannot go as far as to commend the bill to the Senate, but since the sponsor (Hon. Mr. Laird) has indicated that it will go to a committee, I commend it to the committee and hope that it gets a very rough ride.

Hon. Mr. Martin: It has had a very rough ride today.

Hon. Hazen Argue: Honourable senators, I want to make a brief comment on the bill at this time. I use this opportunity because I think it is very much in order when we are discussing this appropriation for the C.N.R. I refer to the work done in this chamber and the interest taken in this question by many honourable senators, including His Honour the Speaker. I refer to a matter I raised by way of motion during the last session, putting forth what I felt had been a grave injustice done by the C.N.R. to the contractors who built the Great Slave Lake Railway on behalf of the people of Canada. At that time I pointed out, and got a great measure of support, that these contractors had built the railway, done an excellent job of construction under very adverse conditions, and through no fault of their own had lost large sums of money and were being forced into bankruptcy.

In this chamber we initiated a debate on the matter. A young man by the name of Michael Kibsey of Winnipeg went from office to office on behalf of these contractors bringing their complaints to the notice of senators and Members of Parliament. He was able to create an interest in this injustice among Members of Parliament, and largely because of the leadership given in the Senate a reference was made by the other place to a committee of that place where this whole question of the claims of the Great Slave Lake contractors against the C.N.R. was considered. I was particularly delighted, as I am sure all honourable senators will be, by the action taken by that committee in making a report to the other place recommending that the Minister of Transport establish a one-man inquiry to consider the merits of the complaints and claims submitted by the Great Slave Lake contractors.

Your Honour will be interested in the second part of that recommendation, in which it was suggested to the Canadian National Railways that the C.N.R. should review its construction contracts with a view to adopting some of the reforms contained in contracts used by the Department of Transport and the Department of Public Works. The C.N.R. contracts contain clauses making the construction engineer, a C.N.R. official, an absolute dictator in every way, who can take actions, charge those actions to the legitimate contractors and force them into bankruptcy. I said before in this chamber, and I now repeat, that that was precisely what was done in many of these instances to which I refer. The committee of the other place made the very important recommendation that the enlightened and improved contracts used by the Government itself when dealing with its own construction works should be used in future C.N.R. contracts. I sat as an observer at the committee hearings, but I certainly heard nothing to suggest to me that the C.N.R. was in any way prepared to modify its contracts; it was prepared to remain in a position of absolute authority, in which it could ruin many contractors if it so desired.

I think that committee might have gone one step further. The means it suggested to solve this dispute, of having a one-man inquiry on the merits involved and making a recommendation to the minister, is a good one, but surely the C.N.R. and the Government of Canada should, in dealing with contractors in

other ways, establish some kind of a committee, some kind of rationale, a tribunal, or even an ombudsman, so that if disputes arise between contractors and the C.N.R., or between contractors and the Department of Public Works, neither the Government, the C.N.R. nor the contractors should be required to go to the expense of hauling their opposite number into court to endeavour to have the courts settle the dispute in question. I would think that this is the kind of suggestion that the Government should be considering, and that the Senate at some time might wish to make a recommendation upon. It would seem to me that when the C.N.R. and its directors get involved in a dispute involving substantial sums of money, the courts are not suited to have this kind of dispute settled but there should be a tribunal set up for this practice.

Hon. Mr. Flynn: What difference would it make?

Hon. Mr. Argue: My honourable friend is a lawyer. I think it would make a great deal of difference. If you go before a judge it has to be decided upon the basis of the law, upon the basis of the written word, or on the basis of a contract as it exists. I would think that if you came before an independent tribunal they might consider the merits of the case. In this case they might consider whether it rained 54 inches in one year, and according to the particular circumstances they might decide justice would be done by awarding the contractors something more.

Hon. Mr. Flynn: It is not arguable unless you provide a different system of law to apply to this tribunal, unless you would state that this special arbitration would take into account the principles of equity. But why not say it in the contract itself and refer it to the court? The court could very well apply the principles of equity. Otherwise, I think it is not a very sensible suggestion.

Hon. Mr. Argue: I would be prepared as a layman to consider that. That has not been done. It would seem to me that it might be preferable to have a body within the department, within the Government, that could consider this.

Hon. Mr. Rattenbury: I am not familiar with C.N.R. contracts but in the average contract, in the general conditions of the contract, there are provisions for arbitration in all of them.

Hon. Mr. Argue: The C.N.R. contracts stand out by themselves as being among the most onerous and one-sided contracts in existence in Canada.

Hon. Mr. Bourget: I had some experience in the Department of Public Works, and from that experience I may say that they are all the same. I agree with what the honourable senator said, that the engineer in chief, the resident engineer, can do whatever he likes. He can crucify, if I may use the word, any contractor. Even if they were to set up a kind of ombudsman, that would not help the case. I am not a lawyer, but I imagine that even if he gave a decision the matter would still go before the courts. I am not a lawyer and I may be wrong, but even if you set up an ombudsman, the matter could go back to the court. You have got to change the specifications.

Hon. Mr. Argue: My honourable friend can correct me if the facts are not as I state them. But, having sat in as an observer at many sessions of this committee, my understanding is that the Department of Public Works and the Government have recently taken steps to amend their contracts, that the people who are doing this kind of work consider their contracts preferable to those of the C.N.R., and that the C.N.R. has not moved in this direction.

If, on further research, my honourable friend finds I am in error, then I will be pleased to change my mind. The Committee supports what I have said by spelling out this important recommendation, if I might just read it:

> 2. That the Canadian National Railway should review its construction contracts with a view to adopting some of the requirements contained in the contracts by the Department of Transport and by the Department of Public Works.

Hon. Mr. Bourget: May I ask a question? Do they mention the reforms that they have made?

Hon. Mr. Argue: No, no.

Hon. Mr. Bourget: I would be very interested to see exactly what kind of reforms they have recommended, because I know well there were some loopholes in the past in the specifications of the Department of Public Works. But through the years they have

closed those loopholes. That is why I say that the departmental engineers can do anything they want. They can crucify any contractor on anything.

Hon. Mr. Argue: As far as this particular situation is concerned, they have recommended that the Minister of Transport establish a one-man inquiry to consider the merits of the claims and no doubt to make a recommendation to the Government.

I would think that if the Government and the contractors involved were able to get a very outstanding Canadian to perform this duty, he might continue in this work, to have referred to him disputes which might arise. Perhaps the commissioner himself might not have the full authority to settle, but have authority to make recommendations to the Government and to the contractors themselves that would lead to an amicable settlement.

As one senator who has taken a good deal of interest in this question, I am pleased with the work which has been done in the Senate. And I am most pleased with the work which has been done in the House of Commons. I have seen on a number of occasions recently the Honourable Don Jamieson, Minister of Transport, in action. I have great admiration for the attitude he has taken. I think he is a fair and honourable man, and I think he is tough, tough enough to deal with the C.N.R. and to deal with a dispute such as this in a way that will bring justice and equity.

Hon. Edgar Fournier: Honourable senators, I rise to put a question to the Leader of the Government. Due to the fact that I cannot obtain an answer to my notice of inquiry of December 4, and the Canadian National Railway intends to take the *Ocean Limited* out of service in the Saint John River valley, what is commonly known as the Transcontinental line, on January 7, and transfer it to the intercontinental route, will the Leader of the Government in the Senate ask the Government to declare this a disaster area. It is not only a disaster, it is a catastrophe. You can believe me in that.

I have been trying to find out what has happened through my notice of inquiry, but I have been unable to get an answer. However, I know quite a bit about it. I think I have found my answer from other sources. I have been calling around trying to get the facts, and possibly later I will make a serious accusation with respect to the Canadian National.

We are not asking the Canadian National to remove any train service at all. The Canadian National has two lines running through the Province of New Brunswick, one on the north shore and the other through the centre of the province—the northshore line and the central line. Three trains run daily over the north shore line serving Moncton, Campbellton, Rivière du Loup and then through Joffre or Charny, and the names of the trains are *Chaleur*, the *Scotian*, and the *Ocean Limited*. What used to be called the *Maritime Express*, now called the *Local*, operates from Moncton.

Why they operate four trains over one line and none in the centre part of the province has never been explained. For many years the railway has made various excuses for not running a train through the centre of the province. Apparently great pressure has been put on the railway for a service starting in Fredericton, the capital of New Brunswick, and running through Moncton, McGivney, Woodstock, Grand Falls, Edmundston, Blue River, St. Elucher, and Monks. I am just naming the main stations. The railways have given all kinds of excuses. First they said the line had no rock ballast. Well, now it is a rock ballast line. Then they claimed that there were too many curves for passenger service. Now they haul between 125 and 135 freight cars over those same rails. Obviously the curves do not present a problem. Furthermore, this same line now has a great safety system called C.T.C., which would be an advantage for passenger service.

Finally, in centennial year, the Canadian National Railways said they would make an attempt to give us a train, and since then the train has been very successful. It has been running most of the time to full capacity. It is supposed to be an 18-car train, but during the summer months it has been necessary for them to put on 22 cars in order to accommodate all passengers. We know the figures from various sources, including local agents, and I am confident that this has been one of the best paying trains in the system. However, the railway now tells us that it is going to remove from the north shore line the *Chaleur*, which has given service from the Gaspe coast to Rivière du Loup, and on up to Montreal. I can understand that that train does not pay because they have too many passenger trains for the region. But ours, I am sure, does pay and yet the railway is going to take it away and give it to the north shore to replace the *Chaleur*. It is beyond me why they are contemplating such a move. I find it terribly confusing.

Last night in his speech Senator Laird put on record certain remarks made by the

Honourable John Pickersgill, Chairman of the Board of Transport Commissioners. I have with me part of a news release dated December 2 dealing with a speech by Mr. Pickersgill, and I should like to read certain parts of it which refer to the removal or discontinuance of certain passenger services. The news release has this to say:

> Mr. Pickersgill said federal law places on the CTC the responsibility for deciding whether a particular service is not required in the public interest, and therefore should be discontinued, or whether the public need requires that it be kept in operation with compensation for losses.
>
> 'These decisions are not going to be made lightly,—'

That is the point; they are not going to be made lightly.

> 'These decisions are not going to be made lightly, nor will they be made within the confines of our office building,' he told the luncheon audience.
>
> 'No discontinuance will be approved without a prior public hearing at some convenient location in the area involved. Ample notice of the hearing will be given and any person or interested party will be afforded an opportunity to present views on the matter.'—
>
> 'There are some obvious cases where passenger-train service is going to have to be continued because no other alternative mode of transportation is available in the area,' Mr. Pickersgill said.

This is indeed an obvious case.

Now, this is a statement which I was pleased to see, but it is not in accordance with the recommendation of the C.N.R. with respect to the schedule in which they say they are prepared to take this train off service on January 7.

Incidentally, regarding all the places I mentioned a moment ago, the chambers of commerce and other organizations have put tremendous pressure on the railway lines to keep the service in that area, because otherwise there are no facilities for transportation, as you can see from the news release itself. There are no airport facilities in my locality, nor in the City of Edmundston. The nearest airport to Edmundston is Quebec city which is 210 miles to the west, or Fredericton, which is 176 miles to the east. There is no train service; all we have is a bus service. So ours is surely an area where there are no other facilities.

At this time I should like to read a telegram dated November 13, signed by J. W. G. MacDougall, Vice-President of Canadian National Railways, and addressed to the mayor of Edmundston. This telegram is not in accordance with what Mr. Pickersgill is purported to have said, as I read a minute ago. Mr. MacDougall is answering the Chamber of Commerce in Edmundston, and says:

> This decision was only taken after very careful consideration and in accordance with the direction of the Canadian Transport Commission to reduce service in those areas where the demand is not consistent with the service offered.

I will come to this later.

This debate has been going on in the other place for two months, and when this news first came out in my area the public in general were of the opinion that it was a recommendation of the Government. Naturally our members in the House of Commons and other people did not agree with the recommendation, and it was acknowledged that it was not a decision of the Government. I personally am sure it was not a decision of the Government. I am also sure that it was not a decision of the Transport Commissioner, because it is obvious from the recommendation I just read a moment ago by Mr. Pickersgill that there will be no curtailment of passenger service unless there is a public hearing. My question then is: who took the decision? Possibly it was the same people who do not want to release the figures which we have been trying to get—and I am not the only one trying to get them. Perhaps we are causing some embarrassment to somebody.

Let me read further from that telegram:

> Our statistics of carryings support this view.

Honourable senators, Mr. MacDougall is talking here about the removal of the train and he says, "Our statistics of carryings support this view". So the railways must have the statistics. I am sure they have them on record, otherwise they are very poor administrators indeed. Those records are made up from daily figures which are compiled each week, each month and then, finally, annually, and there is an annual report. It is unbelievable and not at all acceptable that the railway people do not have the figures I want. There should be no such delay in getting them. There must be some other cause. I hope that the Leader of the Government will take notice of my demands so that before the end

of the year we might not be living in a deserted area apart from the rest of Canada. Believe me, if the railway is removed, we will be living in a deserted area.

As I said before, our railway could be a paying proposition if operated efficiently. Perhaps it does not pay every day, because naturally there are days when there is no crowd; on the other hand, there are days when there is need to add cars in order to carry all the people.

It is very interesting to compare the passenger service of the Canadian National Railways with that of Air Canada, which is operated by the same company. The train service is far below the standard of the air line service. It is like comparing night with day. It is almost unbelievable that they are part of the same company.

As honourable senators may know, I spend about three days every week travelling on Canadian National trains. I have been doing that for the last eight years. It takes me a day and a half to go home and a day and a half to come back. I take a sleeper on the way down, and a sleeper on the way up. I have occasion to talk to many people and I know what the service is. I know there is tremendous dissatisfaction among the employees. It is frightening. About ten years ago an effort was made to increase the passenger services and these efforts were very successful. A gentleman in Montreal, a Mr. Delagrave, introduced the coloured tickets which were very successful. Since that time, because of the difficulties of highway travel with so many accidents, people have been going back to the railroad and still more people will go back provided we give them the service. The occasional train delay is not important. I have been on trains when they were delayed in wintertime for two or three hours because of weather conditions, and people have not been annoyed about it because they understand the situation. They understand the difficulties facing the railroads in impossible weather. It may have been that one or two were dissatisfied but the vast majority had no complaints. As I say, honourable senators, people want to go back to the railways. They have been going back, with the result that over the last five or six years there has been an increase of 6 to 8 per cent each year, and in Centennial year I believe there was an increase of 18 per cent. Naturally, one cannot reasonably expect a tremendous increase over the figures for Centennial year because that was a special occasion.

[Hon. Mr. Fournier (Madawaska-Restigouche).]

Honourable senators, there is tremendous dissatisfaction over the whole system. Yet we hear about the tremendous amount of money that the railways are losing, and so on. There are some remarks which I have made on previous occasions which I am going to make again now. I believe the head offices are overloaded, and this in itself costs a great deal of money. Among the employees there is a tremendous amount of bad feeling; they are very nervous because they are being watched so carefully that they cannot even turn around. In the last few years the C.N.R. has hired a large number of what they call efficiency experts. Yesterday evening we heard from Senator Argue what efficiency experts have done in agriculture in the west, and I believe some of these experts are doing the same thing for the railroads. So far as I am concerned, these are people for whom jobs have been created and they have in fact become snoopers. They walk around the railroad yards, and they travel in the trains. You find them in the diners, in the sleepers, and everywhere else. This is the situation right across the country. Conditions are so bad that they are really affecting the morale of the employees, and this is a very serious situation. I could tell you many things that would make you laugh, things that are happening every day. These people are not happy in their work, and if you are not happy in your work you are not producing; you are nervous and under tension all the time. On the railways the employees cannot turn around because of these snoopers. I shall tell you more about snoopers very shortly.

Now, honourable senators, I am going to change the subject because I do not want to take too much time. Before doing so might I suggest that it would be a good thing for a Senate committee to investigate the operations of the railways. Personally, I believe it would be one of the best things the Senate could do, and it would result in the saving of many thousands of tax dollars to the Canadian taxpayer. You would be amazed and alarmed at some of the things that are going on.

Honourable senators, recently you may have noticed some new signs in Canadian National stations. These are beautiful metal structures with two glass panels with a picture in the middle showing a nice big red apple. These signs must cost at least $30 each. Right across the top of the sign it says, "Try our low fares; they are delicious." Incidentally, I imagine these signs are charged against the passenger service and not against freight service. On Monday last, after seeing one of these signs

which had been there for two weeks, I went to the wicket to make a reservation to travel to Edmundston on Saturday next, a matter of 7 days later. I asked for a ticket and I was told there was no sleeper space. So I asked for a seat in a coach and I was told there was no space in a coach.

So, what can you do? It is not the fault of the man at the wicket that there is no space available. And still, honourable senators, you walk around and you see these fine new signs. But when you try to avail of these new low fares which are so delicious, you cannot find the space available. And this is the situation during Christmas week when they know many Canadians will be travelling—they have no space available. Just imagine the loss of revenue that will follow from this unfortunate situation.

At 9.30 a.m. on Monday last I called again in Montreal station, with the same results.

Hon. Mr. Aseltine: They were sold out a month ago according to what they told me.

Hon. Mr. Fournier (Madawaska-Restigouche): As I say, think of all the money they will lose because of this, and yet they say they have no revenues. As everybody knows, all businessmen take advantage of the Christmas season to make as much money as they can. The Canadian National does not. They know that people want to travel and spend money. Now, not all people across Canada are able to travel by the airlines; some have to rely on the railways. This is the situation with many of us in the Atlantic provinces. We are Canadian taxpayers and we are shareholders in Canadian National. Our money is going to support the railroad.

At the present time the Government is talking about spending over $1 billion for the new Concorde aircraft which will entail new airports in Montreal, Toronto, Winnipeg and heavens knows where else. That, honourable senators, is $1 billion to be paid by Canadian taxpayers. But that will not be of benefit to the Canadian who lives in the Atlantic provinces. If the Government wishes to do that for the people in the rest of Canada, I shall not vote against it. In fact I shall vote for it. But we also want reasonable passenger train services. We do not ask for gold-plated handles on the cars. We are satisfied with some of the old cars as long as they are in reasonably good condition. It is a pity that my old colleague, the late Senator Pouliot, is not here today because I am sure he would have had something to say about this.

Coming back to what I was saying about the signs, "Try our low fares; they are delicious," in my view they are an indication that people are not working together. The man who authorized the expenditure of maybe hundreds of thousands of dollars on these signs should make sure that trains will be available before authorizing the signs. You go to the station and there is the sign, and then you go to the man who sells the tickets and he tells you that there is no space. This is an unbelievable situation. So, I sent this telegram to Mr. MacMillan, the President of the C.N.R.:

> Incredible but true stop At a time when CN authorities are curtailing passenger services on account of low revenue stop This morning December 15 nine thirty AM Ocean Limited Montreal-Moncton booked to capacity for December 20 Saturday December 20 not a single space available sleepers or coaches stop Sorry no space try our low fares they are delicious

I have never received an answer, and I did not expect to because my answer is probably where my question is. But, believe me, there are snoopers on the Canadian National. Sometimes they even invade the Senate and take notes; I have seen them here. All you have to do is look around.

Sometimes I have another problem. Every senator and member of the House of Commons has a little piece of paper like this which is accepted as a pass. Those of you who travel on the airlines do not have these problems. In fact, it is not a pass at all, and I hope that some day we will be able to correct this confusion. This one is really fit for a joke book. It reads:

> The Hon. "So-and-So" is a member of the Senate of Canada and is entitled by law to free transportation, with his baggage, upon all railway trains in Canada.

As far as I am concerned, a railway train starts at the first bogie wheel of the locomotive and ends at the last wheel of the caboose. That is a train. So, we could ride anywhere, but we do not do that. We assume this means passenger services, and we have to take at least a coach with a place to sit because we are not riding in boxcars. When I travel to Montreal I take the C.N.R. from Edmundston and I have to present this piece of paper which is accepted as a pass but which is really an identification card. Now, this other

one is a pass and usually there are regulations on the back of it which we have to observe. This one is unlimited and gives blanket use. On leaving Edmundston the fellow takes a piece of paper, puts it in a computer and—click, click!—he gets through to Montreal and in a few minutes Montreal replies that there is no space on the train. When the train comes in I go to the conductor and say, "Have you any space left?" He replies, "Come right in." I board the train and find there are 20 or 25 unoccupied seats. This has happened dozens of times. The agent turns me down because he says there are no seats available according to the computer, and yet, on boarding the train, I find that—

Hon. M. Aseltine: It is half empty.

Hon. Mr. Fournier (Madawaska-Restigouche): Well, that is a slight exaggeration, but there are dozens of empty seats. People are most unhappy about this situation. Travelling this way I have no problems but it is not pleasant. But when I travel east from Montreal to my home it is a different matter. The ticket collector is not interested in my pass. He wants to know whether I have a coach seat, a sleeper or roomette ticket. This pass does not mean anything to him at all; he wants to see my reservation, and if I have no reservation I cannot go through. Yet here is a senator who is authorized by law to take any train at any time in Canada, and he cannot get on. Where do we stand on that? Maybe you do not have that problem, but I have.

I had an argument with a ticket collector a week or two ago. I have been going to the same gate twice a week for eight years and the same fellow has been on that gate for five or six years. Every time I arrive at the gate with my luggage, I put my luggage down, open by wallet and show him the ticket, the pass and the reservation. Recently I asked him, "Don't you know me after all these years?" He replied, "I have to do my job because if I do not somebody else will." I thanked him and told him I appreciated his honesty. And he is right, he has to do that because there are snoopers watching him very carefully, seeing whether he collects every ticket and checks every one in order to avoid an error. I can see that he must do that because it is very difficult to control the movement of people. All you have to do is stand and watch them and, despite all the security and the watching you do, there are still a few who get on the wrong train. It seems to me there is some abuse of the rules and regulations when a man has known my face for eight years, knows I have a ticket or a pass, and he and I know where I am going, but I still have to go through all this.

On Saturday I want to go home by train, and I am going to. If you look at the timetable you will find that if you have to travel a distance of over 250 miles you need one of these reservations. So I go to this poor young fellow shaking in his boots because of the number of snoopers around. I say that I am going to Drummondville, and I enter the train. When we reach Drummondville I put my coat on and take my luggage and disembark on the platform, and re-embark immediately for Joffre. I do the same thing at Joffre and Monk, and finally reach home. But is it not a joke, that a man who is entitled to free transportation has to play this sort of game? I have become a snooper. The C.N.R. has trained me to become a snooper! Sometimes it is unbelievable.

This is all I have to say. In fact, I could say more, but I hope the officials of the C.N.R. are listening to my remarks and that they will convey them to the right quarter, because I really mean what I say. I am not very happy about the service.

I do not see why this situation should arise. They made a good start with passenger service; the trains are pretty good, the food is good. They are spending thousands of dollars on television, newspaper and radio advertising and in the distribution of pamphlets to encourage people to go by train. You see pictures of passengers relaxing in their coach chairs, and you are being exhorted to leave your car at home. Then you go to the wicket at the station to buy a ticket and the clerk says, "Sorry, there are no seats."

Hon. Keith Laird: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Laird speaks now his speech will have the effect of closing the debate.

Hon. Mr. Laird: Honourable senators, I certainly have every sympathy for Senator Fournier with regard to his personal problems. I readily sympathize with him in his complaints, specifically with regard to the possible abandonment of service. I trust that he will make suitable representations, at the proper time, before the Canadian Transport Commission, as he himself indicated, by using the quotation I used last night, to show that the Honourable John Pickersgill has made it

very plain that every single application for abandonment or discontinuance of service will be subject to scrutiny, after hearing any interested parties.

Senator Grosart pointed out that many of the questions he raised can be considered in committee. I agree with this, and therefore my replies will be very brief.

I take it that Senator Grosart considers that the overall transportation policy should be examined, but I would draw to the attention of this house the fact that the Department of Transport, under the direction of the Honourable Donald Jamieson, is presently engaged in a very intensive and overall study of all forms of transport—not only the railways, but the air lines, buses, water transportation, and any other form of transportation. This was publicized plainly in an article in the *Globe and Mail* on September 26 last. It is a long article and, of course, I have no intention of reading it into the record. However, an overall study of transportation problems in Canada is being made at the present time.

In respect of non-disclosure of amounts, I would draw Senator Grosart's attention to the fact that the bill does actually give amounts, although I will admit that the details will have to be brought out before the committee, which is a much more suitable forum for the discussion of such matters.

As an example, in that connection I should like to mention new branches. It is true that in the statement I made last night I gave no details of proposed new branch lines. It is my view that such details should be given in committee, but I will say that there are five new branch lines proposed, and each one of them is in an area where there is mineral or oil production. I am advised that branch lines which are over 20 miles in length must, under the National Transportation Act, receive parliamentary approval, but parliamentary approval is not needed for branch lines of less than 20 miles. Of the five branch lines I mentioned, three were over 20 miles in length, and were, in fact, approved by Parliament. In any event, more details can be obtained in committee.

Senator Grosart mentioned the amount of $200,700,000. I understand that up to this point the expenditures have been confined to self-generated income or, in other words, to what has been earned by Canadian National Railways. I admit that I am not in a position to say categorically one way or the other that the expenditures have all been made, but here again the committee will have the benefit of the attendance not only of officials of the Department of Finance but, and what is more important, of top ranking officials of Canadian National Railways and Air Canada. I suggest that any further details in that connection can be elicited from them.

So far as Air Canada itself is concerned, as Senator Grosart suggested, there may be a possible change in setup. I think he is probably right. Of course, this is a matter for Government policy. It is under consideration, and naturally I can say nothing about it. It is to be presumed that in due course there will be an announcement of Government policy in respect of that matter.

Honourable senators, having in mind that top ranking officials of the C.N.R. and Air Canada, as well as others from the Department of Finance, will attend before the committee, I commend this bill for second reading. If it is given second reading, I will move that it be referred to the committee.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

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

EXCISE TAX ACT

BILL TO AMEND—SECOND READING

Hon. Eric Cook moved the second reading of Bill C-155, to amend the Excise Tax Act.

He said: Honourable senators, Bill C-155, to amend the Excise Tax Act, owes its birth to the Government's policy announced by the Minister of Finance in his budget speech of June 3. The budget speech pointed out that the general policy is to require those who use and benefit directly from services and facilities provided by all the taxpayers of Canada to pay charges in line with the actual cost to the taxpayer.

It was pointed out that the Government already collects $200 million a year from all types of such user charges. However, these charges have not been recently revised to meet the current levels of costs or charges, and the Government has therefore undertaken a systematic review and revision of these amounts. The minister indicated that in all probability the Government might introduce some new charges as well as increasing the existing ones. It was stated that in almost all cases the rates could be adjusted or added to under existing legislation.

However, the Government, through the Department of Transport, makes very large annual expenditures for the construction, equipment, operation and maintenance of airports. In addition, the Department of Transport supplies other important and far-reaching services in the field of air services, administration, control of civil aviation, air traffic control, radio aids to air and marine navigation, and meteorological services.

The total expenditures of the department on all these services in the last fiscal year are estimated to be $73 million. On the other hand, the revenue obtained from user charges and rents of one kind and another amount to only $41 million, leaving a deficit of $32 million. In order more nearly to balance expenditures and revenues in this field, the minister announced that Parliament would be asked to levy a charge on the price of tickets for carrying passengers in or from Canada. Such a charge cannot be enforced under existing legislation, and this is the reason for the amendment to the Excise Tax Act proposed by Bill C-155. When the charges or taxes imposed by Bill C-155 become effective, it is estimated that a yearly revenue of about $20 million will be raised. This sum will, of course, be paid into the Consolidated Revenue Fund and so reduce the existing deficit of the Department of Transport in connection with airports and other transportation facilities from almost $32 million to about $12 million.

Having decided that it was necessary to impose this tax or charge, the Government then had to decide whether the tax should be imposed solely on a percentage basis or on a flat rate. Both methods are in use by other countries at the present time. Having in mind no doubt the arguments for and against both types of tax, the Minister of Finance stated that the Government would consult with the air carriers about the detailed problems of defining and administering the proposed new tax. Accordingly, meetings have taken place between air carriers and their associations and the Government, and the bill before us incorporates and reflects many of the proposals and suggestions of those experienced in these matters concerning the application and administration of the tax.

Transporting passengers by air is not, of course, solely a Canadian operation, and therefore in drawing up this bill it was necessary to bear in mind that the air transportation business operates across international boundaries and is world wide. For example, passengers often have a choice, and instead of travelling by a Canadian airline might just as easily travel by an airline of another country. In the case of airlines in the United States, the tax is an *ad valorem* tax of 5 per cent on domestic flights. With the exception of travel into Canada and Mexico, the U.S.A. does not impose a tax on international air transportation.

Having taken advice and duly considered all aspects of the matter, the Government has decided that the proposed tax will be in the case of international travel a flat rate tax, and in the case of travel in the North American area—that is, travel within Canada and the U.S.A.—on a percentage basis. Therefore, in the case of tickets purchased in Canada for transportation within Canada, and for transportation from Canada to the U.S.A., and also to the islands of St. Pierre and Miquelon, the tax will be 5 per cent of the purchase price. In the case of tickets purchased in Canada for flights overseas the bill will authorize a tax at a flat rate of $5.

However, the bill further provides that by order in council the $5 flat rate may be reduced to $2. The reason for this provision is that the Government was advised that there should not be too large a difference between the tax levied in Canada and that levied in the U.S.A. Therefore, as long as the U.S.A. does not levy a tax on international flights, it is proposed by order in council to set the Canadian tax at $2 per ticket. There is, however, before Congress now a bill which, if passed, would increase the *ad valorem* tax on domestic and Canadian flights from 5 per cent to 8 per cent, and would also impose a flat rate tax on overseas or other international flights of approximately $3. If this should happen, the Canadian tax will revert to the amount of $5, as provided in this bill. The difference then would still be $2, which will not be so great that travellers will be encouraged to travel on American airlines in preference to our own airlines. The Canadian tax is a consumption tax, which means it is imposed not on the person of the traveller but on the purchases in Canada of air transportation tickets.

I trust the foregoing will give honourable senators an explanation of the purposes and objects of Bill C-155. The bill amends the Excise Tax Act by adding a new part to be known as Part II.

The first section of the bill contains the necessary definitions, including what is or what is not a "certified air carrier" and what is a "taxation area".

The main provisions of the bill are, of course, the sections that impose the taxes or charges I have endeavoured to explain to honourable senators. The tax is authorized by sections 10 and 11. There are a number of further amendments which are consequential to the main amendment which imposes a tax, and which are the usual and general type of amendment necessary in these cases.

Section 7 provides that the Act will come into force on a day to be fixed by proclamation.

I do not think it would serve any useful purpose for me to endeavour to explain these definitions and consequential amendments in detail. No doubt questions arising on these points will be fully explained by the officers of the Department of Finance and the Department of Transport during the committee hearings that will be held in due course, should the bill receive second reading.

Hon. Mr. Flynn: Before the honourable senator concludes I should like to ask him a question. Does the flat rate tax of $5 on tickets purchased in Canada for transportation outside of Canada and the United States apply to the one-way ticket or does it apply to a two-way ticket? Would there be a tax of $10, for instance, if a passenger went to London and back and bought the ticket in Montreal?

Hon. Mr. Cook: I am afraid that question stumps me. I would think it probably would be $5. I am afraid the honourable senator will have to wait until he can ask that in committee. I am sorry I cannot answer that question.

Hon. Jacques Flynn: Honourable senators, as the sponsor (Hon. Mr. Cook) indicated, there may be some technical points to clarify in committee. In any event, we are indebted to the honourable senator for his explanation of the bill. We on this side of the house are, of course, in agreement with the general principle that the public should be called upon to pay for the services it receives from the Government. As had been mentioned, the cost of providing air transportation facilities in Canada represents huge amounts for the public treasury. I understood from the budget speech delivered last June that it was estimated there was a deficit of over $41 million, if I remember correctly what the sponsor said.

Hon. Mr. Cook: I said $31 million.

Hon. Mr. Flynn: I understand also that this new tax which is to be imposed by this bill would provide a return of about $20 million, leaving a deficit for the current year at least of $11 million.

This tax, in our view, is not entirely fair. It is calculated at 5 per cent *ad valorem* on tickets covering flights or trips in Canada, in the United States, and to St. Pierre and Miquelon, or, let us say, in the territorial limits of North America. For the other trips the tax is a flat rate of $5 which can be reduced by order in council to $2.

As far as trips within the area of North America are concerned, it is to be noted that the more you stray far from large centres the more you pay, notwithstanding the fact that you may not use the air transportation facilities more than someone who would fly from Ottawa to Montreal or Montreal to Toronto. There may be in fact the use of only two airports, and the facilities pertaining thereto, but yet you might pay ten times more if you fly, for instance, from Vancouver, or especially from the Northwest Territories or the Yukon, where they have no other means of transportation. This is really quite a burden to impose on those people. As far as international flights are concerned, it is a flat rate of $5. If it is imposed only, let us say, on the one-way ticket, it would be the equivalent of an airport charge of $5 when you leave Montreal for London, for instance, and you would not pay on your way back when you land in Montreal.

Hon. Mr. Aseltine: Provided you have a return ticket.

Hon. Mr. Flynn: Of course, but I understand that with any airline operating international flights the passenger would have to pay if the ticket is purchased outside Canada to come to Montreal. Would there be a tax? I do not know, but if there is none, it would not be equitable. I am quite sure that everybody would agree with that.

Honourable senators, it seems to me that this problem which is facing the Government is one that should have been dealt with otherwise. To me, presently, the use of the air transportation facilities, including the airport, is a problem between the Government itself, the Department of Transport, and the airlines. I do not see why the Department of Transport has not established a rate system whereby it would lend the facilities to the airline. Then the airlines would have to determine the price of the ticket in accordance with the services. I think they could certainly do that, because now, in establishing

the price of a ticket, they take into consideration all those factors. For instance, if you travel from Quebec to Ottawa direct, you will pay less than if you make two separate trips, one from Quebec to Montreal, and another from Montreal to Ottawa.

In other words, in establishing the rates of transportation by airlines, all these factors are taken into consideration and generally in an equitable way. If they are not, the Transport Commission can intervene. Presently, this tax does not distribute the burden fairly.

Furthermore, as has been explained by the sponsor of the bill, it does not even solve the situation, because we are still left with a deficit of $11 million which is charged to the public of Canada generally, including those who never use air transportation facilities, who never buy a ticket and make a plane trip.

As far as the system for imposing this tax is concerned, we are far from satisfied that it is really the method which should have been followed. It may be that, after some experience with it, the Government will find another way.

We know very well that in other countries they impose an airport charge. When you land at an airport you have to pay so much for landing. If you use only two airports on a trip you have to pay only at the airport where you arrive at the end of your trip. But if you use several, you must pay the tax several times. That is much more equitable than the system provided in this bill.

I would like to draw the attention of the Senate to the proposed new section 18, which deals with the regulations that the Governor in Council may adopt. It says:

> 18. The Governor in Council may by regulation
>
> (c) exempt from the operation of this Part the transportation of a person by air on any classes or groups of commercial air services, commercial air carriers or aircraft;
>
> (d) determine for the purposes of this Part when transportation begins or ends
>
> (i) at a point in Canada,
>
> (ii) at a point in the taxation area,
>
> (iii) outside Canada, or
>
> (iv) outside the taxation area;

These two paragraphs seem to give the Governor in Council the power to enlarge considerably the field of application of the tax, or even to restrict it in a manner which could be entirely inequitable. If you can exempt, for instance, from the operation of this bill the transportation of a person by air, you can decide that so and so would not be forced to pay the tax. And if you can determine the taxation area, if you can determine that transportation begins outside Canada, then you go much further than has been indicated at the beginning of the bill, where it is said that it is intended to tax where tickets are purchased in Canada for a trip from here to outside North America, or a point within the United States. One can, by the powers given to the Governor in Council by these paragraphs (c) and (d) of the proposed section 18, completely modify the field and the method of application of this tax.

It may be that there is an answer, and I shall wait to hear the answer we can obtain in committee.

Honourable senators, on the whole, excepting this proposed section 18, which in my view goes much too far, I will summarize by saying that this tax, which seeks to apply a valid principle, will not be an equitable tax; and in this respect we cannot support the principle thereof.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

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

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

BILL TO AMEND—SECOND READING

Hon. Nelson Rattenbury moved the second reading of Bill C-8, to amend the Children of War Dead (Education Assistance) Act.

He said: Honourable senators, Bill C-8 deals with an act that has been in existence for approximately 16 years. Since it came into effect in 1953, it has made it possible for 4,801 orphans of veterans to carry on post-secondary studies.

This is not the first amendment to the original bill. In fact, the act of 1953 has been amended four times, each amendment designed to make its provisions applicable to children not originally covered, and to increase the amounts needed for tuition and other expenses relative to acquiring an education.

During the first ten years of its existence the act covered children whose parents, either father or mother or both, were killed or died as a result of World War II.

Three new categories were added during the next few years. They included children of veterans killed in Korea and of deceased members of the regular forces and deceased World War II pensioners. The present amendments, two in number, are designed to clear up a grey zone which presently exists.

The first amendment, which incidentally is the first recommendation to come before Parliament as a result of the Woods Commission, deals with a group of children, not over 100 in number at the present time, who come under section 25 of the Pension Act, wherein the Canadian Pension Commission is authorized to pay a pension on compassionate grounds in certain cases where the claimant is not otherwise entitled to a pension.

The second amendment concerns students under the act who fail their examinations. As it reads now, the act provides that if a student, having failed in one or more subjects, fails again in more than one supplementary examination he or she shall lose his or her eligibility for further assistance.

This amendment is designed to clear up any anomalies that might presently occur depending on the institution the student is attending so that if the student cares to repeat the year at his or her own expense, he or she may become eligible for promotion to the next succeeding level of the course of study under the provisions of the act.

Unless it is requested, honourable senators, I see no need to send this bill to committee for study. I might add that it has already received the unanimous approval of the veterans affairs' critic in the other place, and if I could get unanimous consent here I would move that it be given third reading in the Senate tomorrow.

Hon. John M. Macdonald: Honourable senators, I wish to say a few words regarding this bill. First of all, I approve of it and I believe it contains nothing but good. It is but fulfilling yet another part of the obligations that Canada owes to the veterans of its wars and their dependants. I think it will serve to remind us, too, that war is a very costly business in terms of human life, human suffering and human welfare. War is paid for by sacrifice. For some the sacrifice is loss of life itself; for others it is loss of limbs, and for others still it is physical or mental suffering which has handicapped them all through their lives. Who knows how much that suffering has shortened their lives as well as preventing them from enjoying life as other people do.

I think we can be proud of the fact that Canada has accepted its obligations towards its veterans; and this bill is but further evidence of that fact. It can also serve another useful purpose, I think, and that is to remind all of us that brave Canadian men fought and died in a great cause. It will serve to remind all of us, too, that we believed and made it our policy, as part of what we call the Veterans' Charter, that veterans should be given some special consideration in regard to employment in the Government service.

I must confess that in recent days I have been disturbed and distressed by the news that some war amputees have been laid off as part of the so-called austerity program of the Government. I think that those who served in the armed forces and who came back to civilian life unharmed have a very special obligation towards those who are not so fortunate. I should like to quote a paragraph or two from today's *Globe and Mail,* from an article headlined, "Amputees lose jobs in austerity drive". This is an item from Calgary:

> 'This is a terrible thing to do to men after 25 years, especially those who have to work 10 times harder than others at being a man.'
>
> Mrs. Charles Kent was commenting on the dismissal of her husband, a war amputee, and other war amputees from their jobs in the civil service as part of the federal Government's austerity drive.
>
> Mr. Kent, 47, is a $9,400-a-year welfare officer with the Department of Veterans Affairs. He has been told his services will not be required after Jan. 31.
>
> He lost both his legs below the knee and suffered back injuries in a bomb attack on the destroyer *Athabaskan* during the Second World War. He would have completed 25 years' service with the department in March.

The article also mentions a Mr. Harry Weir, another welfare officer who lost his left leg below the knee during an air raid in London while serving with the Canadian forces and who has worked for the department for 25 years. How many more of these lay-offs are there? Is there a trend in this direction?

Honourable senators may recall that some time ago I brought to their attention a case of a veteran in Nova Scotia who had been with

the Department of Transport for 17 years and was given one week's notice that his services would no longer be required. This matter was brought to the attention of the President of the Treasury Board. He gave an explanation which I think was a most extraordinary one. In relation to general policy he declared:

> —that a scheme for the declaring of redundancy and lay-off procedures was evolved after very lengthy consultations with the employee representatives in the National Joint Council of Canada. Agreement was reached on a philosophy for declarations of redundancy and alternative disposal of such cases. The general principle was that merit should be the sole test in determining the order of redundancy and that as a consequence this would be the predominant factor, but that humanity and considerations of humanity would have to be taken into account.

Honourable senators, in that statement I think I detect a danger. It seems to me that the policies of government in regard to the employment of veterans which have been in effect for many years are now being eroded or being abandoned. I cannot agree with the statement of the President of the Treasury Board that merit should be the sole test in determining whether or not a veteran or an amputee should lose his employment. I claim it is not humanity or considerations of humanity that have to be taken into account where veterans are concerned. It is not charity; it is not even generosity. I claim that the special consideration given to veterans is but part payment of a debt which the people of Canada owe to these veterans.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: I further claim that this obligation on the par of the people of Canada has been assumed and gladly assumed by the people of Canada, and it must not be allowed to be abandoned or to be eroded or to be lessened or weakened in any way by any Minister of the Crown or any representative of the National Joint Council of Canada or anyone else.

Honourable senators, this proposed legislation is good legislation and I agree with the sponsor that it should be passed quickly. There is no need for sending it to a committee.

Hon. Mr. Roebuck: Honourable senators, might I ask the sponsor of the bill a question?

[Hon. Mr. Macdonald.]

Would he explain a little more clearly what happens to the student who, when he loses his supplementaries, also loses his right to assistance? If I have understood him correctly, that seems to be a very hard provision in the bill and one which I could not accept.

Hon. Mr. Rattenbury: Honourable senators, my understanding is that there exists at the present time different rules in different universities and other places of learning that come under this act. In some universities the student is not even allowed to take supplementary examinations. I cannot tell you the reasons for that. However, to clear up this anomaly, where the student fails and he has not the privilege of taking a supplementary examination, under the existing legislation he would be denied any further assistance. Now he can repeat his year at his own expense and get reinstated in the ensuing year.

Motion agreed to and bill read second time.

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

Hon. Mr. Rattenbury moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

McOUAT INVESTMENTS LIMITED—SECOND READING

Hon. Lazarus Phillips moved second reading of Bill S-15, respecting McOuat Investments Limited.

He said: Honourable senators, this bill reflects the problems that arise in the practice of law in dealing with the plight of a client who, through oversight sometimes on the part of clerical staff, overlooks the sending of the necessary returns under the Canada Corporations Act, particularly Section 125 thereof, which are the simple routine returns called for on an annual basis.

This particular company and the company called Buccaneer Industries Limited in respect of which there will be a bill before you shortly, and which is a subsidiary, carries on its business in Lachute, Quebec, in what is not quite a rural area but is an area which does not have the usual sophisticated staff that we enjoy probably in the greater metropolitan areas. McOuat Investments is a holding company, as I indicated and through its subsidiary, Buccaneer Industries, sells by way of distribution, not as a manufacturer,

pioneer chain saws, the ordinary saws for the cutting of wood, Honda motorcycles and Mercury outboard motors. They carry on a modest but reasonably large business in and around the Lachute area.

The owners of the business were horrified to find out in due course from their accountants that in July 1969, as a result of notices that were filed in the normal way in the *Canada Gazette* pursuant to the provisions of section 125 (12) of the act, the company, McOuat Investments Limited, lost its charter and ceased to exist because of the mere routine failure on the part of the employees to file over a period of three years—I think under the present act the delay now given is only two years—but under the law as it then existed it was a failure to file returns for three years. Honourable senators who are engaged in the practice of law will appreciate the routine problems when clients turn up somewhat blanched on the occasions they find themselves in that position.

When the attention of the owners of McOuat Investments Limited was drawn to these requirements, they communicated with the Department of Justice who advised them that the only possible remedy for them in the unfortunate position in which they found themselves was to proceed to the Senate and in due course to the other house for the purpose of reviving the charter of the company as if it had not been surrendered pursuant to the notice in the *Canada Gazette*.

Further, the owners themselves, through their counsel, proceeded to communicate with the Minister of Consumer and Corporate Affairs, the Honourable Mr. Basford. The letter from him was shown to me by counsel, and the minister stated that he appreciated the difficulties that had arisen and he did not object, in principle, to the revival of the charter of this company, but pointed out that the authority for bringing about the revival would have to be handled by the method we are now adopting in bringing this bill before this house—a rather cumbersome procedure and one we might well consider rectifying by way of possible amendment to the Canada Corporations Act.

The bill itself is obviously very simple, consisting of only two sections.

The first section merely refers to the notices that appeared in the *Canada Gazette* of June, 1968, and July, 1969, which had the effect of cancelling the viability of the company.

Section 2 provides, firstly, that within 60 days following royal assent to this bill, all the returns that should have been filed will be filed in order that the parties in interest may get relief. Secondly, it is provided that if the returns that should have been filed are not filed, the relief contemplated by this bill will not be granted. And, thirdly, it is provided that nothing in the act shall be deemed to deprive the directors, shareholders or the company, of any rights or discharge them or any of them from obligation or liability incurred since the issuance of the original Letters Patent, and the said company shall continue in existence as though it had never been dissolved.

So, in effect, honourable senators, the objects of this bill are comparatively simple. Under normal circumstances, I hesitate to ask—as I will be asking in due course—to avoid the necessity of referring this bill to the Standing Senate Committee on Banking, Trade and Commerce, but I am in the hands of senators on that point. There was a view expressed that it should be referred to that committee, and if that view prevails I will so move, if, as and when this bill is read a second time.

Hon. Arthur W. Roebuck: Honourable senators, the honourable Senator Martin asked me to look into this matter in his absence because of the fact we are about to adjourn and this is something that should be taken care of promptly in order to allow this company to continue in business.

I read the bill as carefully as I could in the short time at my disposal. It seemed to me that there was very little to it, that as a matter of law it merely allows this company to file its reports *nunc pro tunc* and to continue to do business. Having read the bill and having heard the explanation given by Senator Phillips, I can see no reason why it should not be referred at once to a committee for study and report.

Hon. Mr. Choquette: What are you going to study, if it is so simple? I am all for cutting the procedure short.

Hon. Mr. Roebuck: Copies of the bill have not been distributed and examined by honourable senators. In the circumstances, while I am ready to approve it, as far as I have seen it on careful reading of the bill, I am perfectly satisfied to send it to committee. I do not think it should be passed peremptorily without reference to a committee.

Hon. Mr. Bourget: What is there to explain, except that it gives the charter back to the company? I do not see that there is anything to be explained in committee.

Hon. Mr. Croll: I think a committee hearing is essential for Senator Phillips' clients—

Hon. Mr. Phillips (Rigaud): They are not my clients.

Hon. Mr. Croll: Well, for the lawyers who, for some reason or other, approached Senator Phillips. Because of its unusual aspects, I think it important that there be a committee hearing record made, so that an official can come before the committee and say, "On such-and-such a day we did not file when we should have," and so that something appears on the record and it is cleared up once and for all. If you do not do that here, it will have to be done in the other place, and I think that in the company's own interest it should go to committee.

Hon. Mr. Flynn: There is the additional advantage that in committee we may look into this problem and see whether the Canada Corporations Act should be amended to provide a simpler device for the revival of a company which has met these circumstances.

Hon. Mr. Roebuck: Or notice is given to persons in default so they can remedy their fault.

Hon. Mr. Croll: Let us get off the Government's back for a minute. I have been in practice a few years, just as you have been, and I think a corporation has some responsibility to make the necessary returns.

Hon. Mr. Flynn: I am not discussing that.

Hon. Mr. Croll: So it would be interesting to see why they were not made in this case, although I am in favour of the bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Phillips (Rigaud), bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

SUSPENSION OF RULE 95

Hon. Mr. Phillips (Rigaud): Honourable senators, I move that Rule 95 be suspended with respect to this bill.

Apparently the rule with respect to private bills calls for a week's notice, and as a result of the motion I am now submitting with respect to the suspension of Rule 95 we hope to deal with the subject matter when the Standing Senate Committee on Banking, Trade and Commerce meets tomorrow.

Motion agreed to.

BUCCANEER INDUSTRIES LIMITED—
SECOND READING

Hon. Lazarus Phillips moved the second reading of Bill S-16, respecting Buccaneer Industries Limited.

He said: Honourable senators, as I indicated with respect to the bill we have just discussed, Buccaneer Industries Limited is a wholly owned subsidiary of the holding company with which we have just dealt. The reasons for this legislation, therefore, are similar to those with respect to the holding company.

Honourable senators, it is my intention, if this bill receives second reading, to move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Phillips (Rigaud), bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

SUSPENSION OF RULE 95

Hon. Mr. Phillips (Rigaud): Honourable senators, I move that the provisions of Rule 95 be suspended with respect to this bill, so that it may be considered by the committee as quickly as possible.

Motion agreed to.

ICG TRANSMISSION LIMITED—
SECOND READING

Hon. Douglas D. Everett moved the second reading of Bill S-17, to incorporate ICG Transmission Limited.

He said: Honourable senators, Bill 17 incorporates ICG Transmission Limited, which will be an affiliate of Inter City Gas Limited, a Manitoba company substantially held by the public, which is in the business of distributing natural gas in Manitoba and Minnesota. Inter City Gas has contracted with Boise Cascade Corporation to supply Boise Cascade's requirements of natural gas for a new mill to be built by that company at Fort Frances,

Ontario, and also to supply its existing facilities in Fort Frances and International Falls. This will necessitate the construction of a gas pipe line between Falcon Lake in Manitoba, to Fort Frances in Ontario.

Inter City Gas has no power under its charter to construct or operate a pipe line which crosses provincial or national boundaries, and that is the reason for this incorporation.

Upon incorporation ICG Transmission Limited will apply to the National Energy Board for permission to install a pipe line. The contract between Inter City Gas and Boise Cascade calls for the completion of that pipe line by October 31, 1970. In order to meet that completion date the construction will have to commence by May 1970, and, therefore, it is necessary to have the application before the National Energy Board early in 1970.

Honourable senators, in order that this bill may be approved by Parliament as quickly as possible I am going to ask that Rule 95 be suspended in respect to this bill. Rule 95 reads as follows:

> A private bill originating in the Senate, of which notice is required to be given, shall not be considered by a committee until after one week from the date of referral to such committee and, in the case of any such bill originating in the House of Commons, until twenty-four hours thereafter.

If that rule is suspended, this bill can be considered by the Senate Standing Committee on Transport and Communications tomorrow, and this house will be able to pass it on third reading tomorrow afternoon, so that it may be sent to the other place to be dealt with there as early as possible in the new year.

Hon. Arthur W. Roebuck: Honourable senators, I have had the privilege of reading this bill as carefully as possible in the short time available to me. It seems to be quite a regular bill, and it is similar to many others we have passed for the incorporation of such companies. I see nothing in it that would lead me to say that we should take up further time in discussing it, and in the circumstances it should be referred to a committee. We depend very largely upon the officials of this house to see to it that these pipe line bills are in the correct form. I see no reason why this bill should not be referred to committee at once.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

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

SUSPENSION OF RULE 95

Hon. Mr. Everett: Honourable senators, I move that Rule 95 be suspended with respect to Bill S-17, to incorporate ICG Transmission Limited.

Motion agreed to.

STANDING SENATE COMMITTEE ON TRANSPORT AND COMMUNICATIONS

CHANGE IN MEMBERSHIP

Leave having been given to revert to Notices of Motions:

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

> That the name of the Honourable Senator Haig be substituted for that of the Honourable Senator Gladstone on the list of senators serving on the Standing Senate Committee on Transport and Communications.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, December 18, 1969

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-171 to amend the Company of Young Canadians Act.

Bill read first time.

Hon. Paul Martin moved, with leave of the Senate, that, notwithstanding Rule 44(1)(f), the bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Volume III of the Final Report of the Royal Commission on Bilingualism and Biculturalism, dated September 19, 1969 (Joint Chairmen—Messrs. A. Davidson Dunton and Jean-Louis Gagnon) intituled: "Book III—The Work World".

Copies of a letter, dated December 11, 1969, addressed by the Ambassador of Japan at Ottawa to the Minister of Finance, together with an Annex, concerning voluntary controls on certain Japanese exports to Canada for the year 1969.

EXCISE TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-155, to amend the Excise Tax Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Phillips (Rigaud): With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed, on division.

PRIVATE BILLS

McOUAT INVESTMENTS LIMITED—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Honourable Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-15, respecting McOuat Investments Limited, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Phillips (Rigaud): Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to, and bill read third time and passed.

BUCCANEER INDUSTRIES LIMITED—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Honourable Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-16, respecting Buccaneer Industries Limited, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Phillips (Rigaud): Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ICG TRANSMISSION LIMITED—REPORT OF COMMITTEE

Hon. J. Campbell Haig, Acting Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill S-17, to incorporate ICG Transmission Limited, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Douglas D. Everett: With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1969

REPORT OF COMMITTEE

Hon. J. Campbell Haig: Acting Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill C-7, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January 1969, to the 30th day of June 1970, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. A. Hamilton McDonald: Honourable senators, on behalf of Senator Laird with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

MASS MEDIA

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF SENATE

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45 (1) (a), moved:

> That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the committee have power to sit during sittings of the Senate for that period.

Hon. J. Campbell Haig: Honourable senators, the question of committee meetings during the sittings of the Senate has come up before. We have had the same problem with the Special Senate Committee on Science Policy. I have been called out of the chamber to form a quorum on that committee.

I do not think these committees should meet during sittings of the Senate. There is plenty of time during the week for all meetings. If they have to bring in witnesses, the committees can sit on Monday or Tuesday morning. It is possible that we will have many of these committees meeting. This morning there were meetings of the Standing Senate Committee on Banking, Trade and Commerce, the Standing Senate Committee on Transport and Communications, the Special Senate Committee on Science Policy and the Special Senate Committee on Mass Media. Our work could be spread out over more days than Tuesday, Wednesday and Thursday. The special committees dealing with poverty, mass media and science policy could meet on Monday, Tuesday morning, and Friday.

I do not like the suggestion that the special committees meet while the house is sitting, especially if there is no deadline to meet. Mass Media has no deadline to meet. The same situation is not as it was with the Rules Committee. We did not sit while the house was sitting; we sat an hour before or an hour after.

All I am suggesting, sir, is that when this house meets again in the new year this question of committees meeting while the house is in session be seriously considered by a committee or by the whole house. This motion will likely pass that the Mass Media Committee be permitted to sit between January 20 and 30; however, a schedule may not yet be made up. I do not think the chairmen of special committees should set up a schedule whereby they bring in outside witnesses and hear them while the house is sitting. If you will recall yesterday afternoon we came quite close to not having a quorum, because when these committees meet at 2.30 there is an exodus of senators from the chamber. My opinion is that this question should be seriously considered by the officers and leaders of the house.

Hon. A. Hamilton McDonald: Honourable senators, by and large I agree with the thoughts that have just been expressed by Senator Haig. However, I am sure he will recall that until recently special committees have had the privilege of sitting while the house was sitting without even asking for permission from this chamber. Of course, that

procedure has been changed. He will also recall that the Mass Media Committee was organized in September. At that time they had proposed meeting during sittings of the Senate, and of course we opposed that and adopted this new procedure making it necessary for them to come to the Senate to get permission to meet while the house is sitting.

It is my understanding that the Mass Media Committee is desirous of winding up its work at the earliest possible date and to sit virtually all day when they meet. One of the reasons for this is to save money. We have been spending large amounts of money on special committees, and this is an effort to cut down on the expense, as well as an effort to get their report in as quickly as possible.

Like Senator Haig, I hope that this chamber will be very tough when it comes to granting permission for special or standing committees to meet while the house is sitting.

I agree that sometimes our ranks are thinned here because of committee meetings while the house is sitting. We have had too many committee meetings recently, and it has been difficult to get enough senators to sit in the house, staff all the committees and meet a quorum.

I feel that this assembly should be very stringent with regard to allowing committees to meet while the house is in session. However, on this occasion I feel that we should give this permission to Mass Media.

Hon. Jacques Flynn: Honourable senators, does this motion mean that the committee will be empowered to sit when the Senate is not in session? The wording I have here is "...have power to sit during sittings of the Senate...". Is it suggested that we should come back on January 20? Has that date been determined?

Hon. Mr. Martin: No, it has not been determined, but that is the likely date. I am awaiting certain events in the other place before that is decided. The Mass Media committee and other committees have met when the Senate was not in session.

Hon. Mr. Flynn: Is the purpose of this motion to authorize that this committee may sit?

Hon. Mr. Martin: That is right.

Hon. Mr. Flynn: Even when the Senate is not in session? If we come back on January 27, what will happen?

[Hon. Mr. McDonald.]

Hon. Mr. McDonald: They have the power now.

Hon. Mr. Flynn: Then the motion is concerned only with the power to sit during sittings of the Senate. You said when the Senate was in session, and that is what caused the confusion.

Motion agreed to, on division.

CANADIAN NATIONAL RAILWAYS

PASSENGER SERVICE ON CERTAIN EASTERN TRAINS—INQUIRY STANDS

On the notice of inquiry of Hon. Edgar Fournier:

1. What was the gross revenue for the period from 1st October 1968, to 1st October 1969, of each of the following Canadian National passenger trains:
   The *Chaleur*,
   The *Scotian*, and
   The *Ocean Limited*?
2. What was the number of passengers carried by each of these trains for the above period?
3. What was the cost of operation per mile of each of these trains for the above period?
4. What was the number of passengers carried, eastward and westward, on The *Ocean Limited* from Moncton and intermediate stations to Joffre for the above period?
5. What is the official track mileage between Moncton and Joffre via Campbellton and between Moncton and Joffre via Edmundston?

Hon. Paul Martin: Stand.

Hon. Mr. Flynn: Again?

Hon. Edgar Fournier: Honourable senators, pursuant to my Notice of Inquiry No. 3—which has not been answered yet, after all these long delays—may I put another question to the Leader of the Government? I would ask the Leader of the Government whether today he will provide me with the date on which the Notice of Inquiry left the minister's office to be mailed to the Canadian National?

Hon. Mr. Martin: I cannot give that information. I would tell my honourable friend that this question was placed on the Order Paper on December 4.

These questions are few in number, but a glance at them shows that the information

sought will take a lot of work. They involve more than one centre. The inquiries I have made of the department indicate that they are working on the answers, but it is not possible to have them as early as I had originally hoped. I assure Senator Fournier that I am doing everything I can to persuade the department to give the replies as quickly as possible.

Hon. Mr. Fournier (Madawaska-Restigouche): Mr. Speaker, I do not wish to open a debate again, but the honourable leader has not answered this question either. Everything he has told me, I already know. I am not saying that he is not right, but I have been trying to find the answer myself through some other means and I did find out something. This leads me to ask this question as to what date this Notice of Inquiry left the minister's office to go to the C.N.R.

Hon. Mr. Martin: I do not know that.

Hon. Mr. Fournier (Madawaska-Restigouche): Well, you should find out.

Hon. Mr. Martin: My honourable friend says I should find out. With respect, I do not think I should be put in a position of being called upon to say when the Minister of Transport sent a letter to the railways concerned. I do not think I should be expected to answer that kind of question. In any event, I cannot.

Hon. Mr. Choquette: You could do it tomorrow.

Hon. Mr. Martin: I doubt that. I assure honourable senators I am anxious to give the reply as quickly as possible.

Hon. Mr. Fournier (Madawaska-Restigouche): I am not satisfied.

Hon. Mr. Martin: My honourable friend is a good representative of his area.

Inquiry stands.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL, 1969-70

THIRD READING

Hon. A. Hamilton McDonald moved third reading of Bill C-157, to authorize provisional payments for the 1969-70 crop year in respect of unthreshed grain in the prairie provinces.

Motion agreed to and bill read third time and passed.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

BILL TO AMEND—THIRD READING

Hon. Nelson Rattenbury moved the third reading of Bill C-8, to amend the Children of War Dead (Education Assistance) Act.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, I take this opportunity to say that the present intention is that when we adjourn this afternoon we will return tomorrow at 11 o'clock a.m., although we may have to change our intention and adjourn to another hour.

Senator McDonald has gone to see what progress is being made in the other place and whether there are any further bills to come over here. We will be having royal assent tomorrow afternoon, after which we hope to adjourn until January 20. That will depend on the information Senator McDonald gets.

I would remind honourable senators that there are a number of important bills to receive royal assent tomorrow. I am sure you will recognize the importance of our being here for that purpose.

Hon. Mr. Flynn: May I say that as far as we on this side are concerned, the date of January 20 is satisfactory, but I would remind the honourable leader that the Senate can always be recalled before the date set; therefore, if the volume of business would suggest adjourning to January 27, that would be a better solution, because if necessary we could be called back on January 20.

Hon. Mr. Martin: We have canvassed that suggestion and taken it into consideration. Our present thinking is that we will come back on Tuesday, January 20. However, that is subject to change.

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—SECOND READING

Hon. Paul Martin moved the second reading of Bill C-171, to amend the Company of Young Canadians Act.

He said: Honourable senators, Bill C-171, entitled An Act to Amend the Company of Young Canadians Act, is a simple bill.

Hon. Mr. Grosart: May I ask the honourable Leader a question? To what number on the Order Paper is he speaking?

Hon. Mr. Choquette: It is not on the Order Paper.

Hon. Mr. Martin: Before Senator Grosart entered the Chamber I asked, with leave of the Senate, that this order, which came by way of message from the House of Commons to the Senate, be dealt with later this day. We are now dealing with it, under Rule 44, in its proper place, as a result of the decision taken earlier today.

Hon. Mr. Grosart: I presumed it would be item No. 6.

Hon. Mr. Smith: It is not numbered.

Hon. Mr. Flynn: It is up to the house to decide that.

Hon. Mr. Choquette: It would be before item 4.

Hon. Mr. Martin: This will be the last bill to be dealt with today. I have no objection to doing that, but I point out that if we are to leave here tomorrow, we have to pass the necessary legislation. That is why I am dealing with the bills now. I do not know what the disposition of the Senate may be as to whether this particular bill should go to a committee. If it goes to a committee, it would have to be considered this evening or tomorrow. Then it would have to be reported back and receive third reading if we are to adjourn tomorrow. That is why we are now dealing with the bills seriatim. I trust that explanation is satisfactory.

Hon. Mr. Grosart: Quite satisfactory. But the phrase "later this day" normally means at the end of the order paper.

Hon. Mr. Martin: Yes, but I have explained why I am dealing with it in this fashion—we are trying to meet the objective for adjournment tomorrow.

Honourable senators, this is a relatively simple bill. It contains one clause with four subclauses. The amendment provides for the appointment of a comptroller for the Company of Young Canadians, whose approval would be required for the payment of any money and for the entering into of any contract or other arrangement which provided for the payment of any money by the Company.

[Hon. Mr. Martin.]

The amendment would also require the delivery to the comptroller, upon his request, of all records, documents, books or accounts of the Company and the furnishing to him by employees of the Company of such information, reports, and explanations as he deems necessary for the proper conduct of his duties. Any request of the comptroller would be enforceable by an order of the Exchequer Court made on application of the Attorney General of Canada.

On October 22, 1969, the Secretary of State proposed that the Company of Young Canadians be studied by a standing committee of the other place. It was decided to review the activities of the Company because of recent allegations concerning certain of the activities of certain persons within it. The committee was therefore directed "to consider and report on the legislative framework, organization, and operations of the Company of Young Canadians," and it reported to the other place on December 5. In its report, the committee reaffirmed the original purposes and objectives of Parliament in creating the Company of Young Canadians. It was of the opinion that those purposes and objectives could be realized and were, therefore, worth maintaining and developing. It also took note of some of the accomplishments and successes of the Company of Young Canadians.

However, the committee was distressed, as I am sure many others were, by the deficiencies in the organization and operation of that body. The committee noted that "the lack of administrative procedures has resulted in almost chaotic conditions and rather unconventional financial procedures", as I am sure the Leader of the Opposition intends to remind me. The committee concluded that there was a need to protect the expenditure of public money and to control any possible illegal activities of a few members of the Company. Finally, it recommended that the Company should immediately adopt "adequate financial policies, accounting methods and controls to ensure financial accountability not only within the Company, but also of the Company to Parliament as representative of the people."

On this point of financial accountability, my colleague Mr. Pelletier, the Secretary of State and the minister responsible for the Company of Young Canadians, noted in testimony before the committee in the other place that the Company is not an agent of the Crown and, consequently, section 81(2) of the Financial Administration Act does not

apply to it. The result then is that short of an Act of Parliament, the Government could not assure public control over the monies initially allocated to the Company.

In order to understand the autonomous status that the Company of Young Canadians enjoys at the present time, I refer to the Debates of the other place of June 1966, when the Company was founded. An important feature of the decision and discussion in the other place was the insistence on the total autonomy of the Company. There was unanimous support in the other place for the principle of autonomy.

I must say that the Government continues to be committed to the concept of the Company of Young Canadians as set out in this act. The Government is committed to allowing people to participate in the development of the laws and structures that are to guide their society. Under better management, the Company can play an essential role in bringing about this participation. However, as a Government, we must also require that the Company operate in an efficient manner and, in particular, we insist on financial accountability of monies collected and utilized by the Government.

The report of the Committee in the other place also noted the need for substantial change in the legislative framework of the Company of Young Canadians. It is the intention of the Government to present for first reading in the other place today or tomorrow a bill which will not be proceeded with until after the new year. It will involve a comprehensive series of amendments aimed at achieving the goal established by the committee.

In the meantime, it is imperative that the Government have full control over all public funds allocated to the Company of Young Canadians. In the light of the deficiencies I have outlined above in the financial operations of the Company, the Government is concerned with the need for interim control until such time as more far-reaching amendments can receive study by Parliament. Therefore, we recommend immediate passage of this bill.

With the passage of this bill, the Government will assume direct responsibility over the financial expenditures of the Company of Young Canadians. This bill will not solve all the problems connected with it. However, its passage will guarantee financial control until such time as the necessary changes can be made.

Hon. Jacques Flynn: Honourable senators, C-171 is very simple indeed and, as has been indicated by the Leader of the Government, is a measure designed to control the financial operations of the Company of Young Canadians until such time as new legislation is enacted that will give effect to the recommendations made by the committee of the other place. I understand that is why section 2 of this bill says:

> This act shall expire on the earlier of
> (a) March 31, 1970, or
> (b) a day to be fixed by proclamation.

This means that if the legislation is enacted before March 31, 1970 the Governor in Council could, by proclamation, decree the expiration of this Act; and if the legislation is not passed by that date, there will be a delay for such a decision by cabinet.

Hon. Mr. Martin: Yes.

Hon. Mr. Flynn: Needless to say, the great majority of Canadians have been worried about what has been divulged concerning the activities of the Company of Young Canadians. It was a commendable objective—I could say "dream"—of the former Prime Minister, to set up this Company which evidently had laudable purposes. I am not criticizing the Government in this regard. Indeed, I think Parliament as a whole should be blamed, and should blame itself, for not having foreseen that we were by this device giving an exceptional opportunity to extremists and all types of other activists to infiltrate this body and use public funds for purposes beyond those of the Company of Young Canadians. I think evidence was given in the committee of the other place and elsewhere that this Company as a whole has entirely failed. It is a fiasco. When the activities of the extremists in Montreal and other places were being discussed, people were wondering where they were getting their money from and how they could operate. We now have at least a partial answer to this question. Maybe there were other sources too, but this was an obvious source of funds for the activities of certain groups of extremists.

Again, I am not putting the blame on the Government alone; I think Parliament should have anticipated what would likely happen and should have introduced controls. The Leader of the Government has said, "In the bill incorporating the Company we gave it complete autonomy." To some extent this is true. However, unless I am in error, the

annual budget of the Company has to be voted by Parliament, and if Parliament votes the sums required to meet its budget annually, I do not see why it would not require a complete and full report from the Company.

In this respect I think the Department of the Secretary of State should be blamed. Even if the company were autonomous, I do not see why it was not called upon to render a full account of the sums provided by Parliament for its activities. In this respect both the Government and the Department of the Secretary of State cannot simply excuse themselves by saying the act provided for the Company to have complete autonomy. I do not agree with that. There are other public corporations which operate in an autonomous way, but the Government requires an accounting of the sums it puts at their disposal.

Hon. Mr. Martin: In any event, we are correcting it now.

Hon. Mr. Flynn: For the time being, this bill will provide for the appointment of a comptroller.

I am not too clear as to whether the comptroller is to act only in respect of sums which will be spent from now on, or whether he will be called upon to investigate all the activities and all the administrative records of the company for the past years. I suggest that if such authority is provided in this act, the comptroller should exercise that power. He should not restrict his activities to what is going to happen until we have new legislation concerning the Company; he should dig into the past and bring in a full report. The public is interested in finding out exactly what went on, and it would be useful to know exactly how things went in this organization. We might obtain useful information as to the way certain groups operate in this country at this time.

Hon. Mr. Martin: I think that would be provided for in section 10A.(3).

Hon. Mr. Flynn: That is what I assumed, but it is not entirely clear. I think the power is there, and I suggest the comptroller should exercise it.

Let me put on record the text of section 10A.(3):

> Every person having custody or control of any records, documents, books or accounts of the Company shall, when requested to do so by the Comptroller, deliver up such records, documents, books or accounts or the custody or control thereof to the Comptroller, and every officer, employee, volunteer-member or technical or professional adviser of the Company shall, when requested to do so by the Comptroller, furnish to him such information, reports and explanations as he deems necessary for the proper carrying out of his duties.

It appears to me to be optional, that the comptroller may or may not do it, but I think he should.

Hon. Mr. Martin: So do I.

Hon. Mr. Roebuck: That depends on what his duties are.

Hon. Mr. Flynn: Yes. Section 10A.(1) states, in part:

> —shall appoint a Comptroller of the Company who shall hold office during pleasure and shall be paid by the Company such salary as is fixed by the Governor in Council.

But it does not say exactly if he will be responsible only for future operations or if he will have to do something about the past. I suggest that he should go back and dig and find out exactly what has been happening. The Canadian people deserve to be informed on this matter.

The honourable Leader of the Government has said that legislation will be presented to implement the recommendations of the committee of the other place. We shall have to wait to see what kind of legislation will be laid before Parliament, but the reputation of the Company of Young Canadians has been so severely damaged that I feel we might as well abolish it entirely and start all over again, if it is deemed worthwhile to do so. The public generally, in my view, would welcome a decision of that kind from the Government, and would like to forget this adventure as a nightmare is forgotten.

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, I should like to ask a question of the honourable sponsor of this bill. Am I right in assuming from the fact that the Company of Young Canadians has made so many blunders, that the Comptroller will be a person other than a member of the Company?

Hon. Mr. Martin: The honourable senator may be sure of that. The comptroller will be appointed by the Governor in Council.

Hon. Mr. Fournier (Madawaska-Restigouche): Will his appointment be permanent?

Hon. Mr. Martin: There now remains in the Treasury about $900,000, and the Government is anxious to have control of this money. The only way in which it can be given control is by this amendment to the act. There is an expiry date in this measure, and the comptroller's duties will cease on that date.

Hon. Mr. Fournier (Madawaska-Restigouche): Will the comptroller be a person employed by the Treasury Board, or will he be appointed from outside the public service?

Hon. Mr. Martin: The appointment has not yet been made. I can assure the honourable senator that he will not be someone who has hitherto been connected with the Company of Young Canadians.

Hon. Mr. Grosart: Will the honourable sponsor of this bill tell the house whether the comptroller will have authority to withhold future payments from any officer, employee, volunteer, member, or technical or professional adviser who is already under contract to the Company?

Hon. Mr. Martin: This bill gives him that power.

Hon. Mr. Grosart: Is that power given him under the act or under the regulations?

Hon. Mr. Martin: Section 10A.(2) provides:

> No payment of any money shall be made by the Company and no contract or other arrangement providing for the payment of any money by the Company shall be entered into or have any force or effect unless approved by the Comptroller.

Hon. Mr. Grosart: To make my question clear, does this mean that this bill will supersede any contract held by any person with the Company of Young Canadians?

Hon. Mr. Martin: It means that none of the $900,000 now in the treasury can be paid out in respect of any commitment, either past or future, without the approval of the Comptroller.

Motion agreed to and bill read second time.

THIRD READING—NEXT SITTING

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

Hon. Mr. Martin: Honourable senators, I move that this bill be placed on the Orders of the Day for third reading at the next sitting.

Hon. Mr. Flynn: Honourable senators, it is apparent from the motion of the honourable Leader of the Government that he does not intend to send this bill to a committee. We have discussed this, and after thinking it over I agree that referring the bill to a committee would serve no useful purpose at this time. However, I would indicate to the honourable Leader of the Government that when the new legislation is presented to us we will expect the comptroller to appear before a committee of this house and give a full report. I emphasize that we shall expect a full report, so that we will know exactly what is the situation.

It is obvious that the appointment of a comptroller is urgent and that to refer this bill to a committee will serve no useful purpose.

Hon. Mr. Martin: I fully agree.

Hon. Josie D. Quart: Honourable senators, had I given more thought to the matter I would have participated in the debate on the motion for the second reading of this bill. I thoroughly agree with what the honourable Leader of the Opposition has said, but while he was speaking the thought occurred to me that I should bring to the attention of the house two wonderful youth organizations, the Boy Scouts and the Girl Guides of Canada, both of which have proven their worth over many years. During Centennial Year they organized sleeping quarters for some 4,000 Guides and Scouts, and they were volunteer guides at Expo.

When the Company of Young Canadians was proposed I spoke in favour of it—may the Lord forgive me! One of the meetings of youth organizations called at the time was attended by a member of the National Committee of the Girl Guides Association, and she reported that she was not too impressed with the set-up. It had been discussed by the National Executive at the time, and it was thought that perhaps CUSO, or organizations such as the Scouts and Guides, should have been subsidized a little more. We have all seen what has happened to the Company of Young Canadians. In my own opinion, it should have been abolished long ago.

It is ironical that last year the grants to the Girl Guides and the Boy Scouts were cut drastically on very short notice. I am a member of the National Executive, after having been a Divisional Commissioner of Guides, and I can say that we were very discouraged at that time upon being told our grant was to be reduced.

It is interesting to note—and in this respect I do not know whether the Scouts followed us or we followed their procedure—that instead of saying at that time that the Girl Guides featured leadership, we had to say they featured sports, because that was the fashionable thing to say.

I do not know whether the grants were ever increased, but I do think it is right to bring to the attention of the Senate the fact that the grants to those two wonderful organizations, which give leadership to young people, were cut, while the Company of Young Canadians was given carte blanche to spend money without check.

Motion agreed to.

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—DEBATE CONTINUED

The Senate resumed from Thursday, December 9, the adjourned debate on the inquiry of the honourable Senator McDonald, calling the attention of the Senate to the Fifteen Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO bases in Europe.

Hon. Chesley W. Carter: Honourable senators, I had not intended to enter this debate until I listened to the remarks by the honourable Senator Lamontagne last Tuesday, December 9, in which he stated on page 288 of Senate *Hansard* that he was representing "the views of the old left". On page 297, in the introductory remarks to his speech, he went on to point out that Senator Grosart and others had spoken on behalf of the small "c" Conservatives, that the Government Leader had put forward the case of the big "L" Liberals and he himself was speaking on behalf of the small "l" liberals, which were a growing minority. This prompted me to say on page 304 that I was adjourning the debate in order to put forward the position of the new right wing of the Liberal party.

Now, honourable senators, while we were more or less jesting in our reference to these party labels, I think it is evident that with respect to our foreign policy and our interpretation of the events and forces by which it is influenced, there are at least two very distinct schools of thought, not only in the country at large but within the Liberal party itself. Therefore, the terms "old left" and "new right" will serve the purpose as well as any others.

I do not know what proportion of the Liberal party, of liberal-minded Canadians, identify themselves with the new right. For the sake of Canada I hope that they represent a majority, but, if not, at least, a growing minority which will grow even more rapidly as a result of my remarks this afternoon.

The characteristics of the old left are extremely well illustrated by Senator Lamontagne's speech. One very striking characteristic is their blind faith in the good intentions of the leaders in the Kremlin. The leopard has changed his spots, the lion is ready to lie down with the lamb, and the military machines of Russia and China are about to beat their swords into ploughshares.

A second characteristic—

Hon. Mr. Phillips (Rigaud): Will the honourable senator permit a question? Did he get the authority of the Prophet Isaiah for the use of that statement?

Hon. Mr. Carter: A second characteristic is their inability, or their stubborn refusal, to learn from the lessons of history. Hitler wrote a book, *Mein Kampf*, in which he put forward in the greatest detail the objectives of the Nazi party and how they proposed to achieve them. The West ignored this book completely. They wrote if off as the ravings of a madman, only to find to their sorrow, when World War II broke out and it was too late to do anything about it, that Hitler was deadly earnest when he wrote *Mein Kampf*. Lenin, Stalin, Khrushchev and others have told us in the plainest language what communism is, what the communist objectives are, and how they propose to achieve them. Yet in spite of that terrible history lesson of World War II, the old left continue to ignore their statements or to re-interpret them to suit their own philosophy.

The third characteristic of the old left is their propensity for confusing issues and their tendency to draw conclusions which are based on opinions, wishful thinking and conjecture rather than on evidence supported by hard, cold facts.

Their fourth characteristic is their inability to understand what is meant by the word "ideology". Like Alice in Wonderland, this word means whatever they choose it to mean.

Therefore, at one time they use it as though it were the same word as "philosophy", at another time as though it were the same word as "psychology", and at still other times as though it meant a social economic system. Actually it is none of these. Whatever meaning we would like it to have, or whatever meaning we may attribute to it for our own purposes, is absolutely irrelevant and immaterial. The only thing that matters is what ideology means to the communists and to their leaders.

There are other characteristics I could mention, but these are the main ones which I intend to illustrate later from Senator Lamontagne's speech.

The characteristics of the new right are practically the direct opposite of those I have just mentioned. We are not opposed to change; we realize that change is inevitable, but it is not to be sought for its own sake. When a policy change becomes necessary we want to know what the new direction is going to be and why. In answer to the why, we want solid evidence based on cold, hard facts and not on wishful thinking or on somebody's opinion and conjectures.

We remember that Lenin advised his followers "to resort to all sorts of devices, manoeuvres, illegal methods, evasion and subterfuges". We remember that communist morality is not based on a moral code like ours. To them, everything that serves to further their objectives is right, good and moral. Everything that hinders their objectives is wrong, bad and immoral.

We know that Manuilski, one-time Soviet delegate to the United Nations, said:

> The capitalist countries, stupid and decadent, will rejoice to co-operate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down we will smash them with our clenched fist.

When, therefore, our friends tell us that the communists, Russian or Chinese, are now great fellows and can be trusted, when we see no basis for such trust, remembering Hitler and *Mein Kampf,* we are frankly skeptical.

To use an expression popular with our neighbours to the south, we are a little bit "from Missouri." We want to be shown. If the leopard has changed his spots, if the communists have abandoned their objectives of world conquest, then we want the evidence. The rape of Czechoslovakia, the extension of Soviet naval power in the Mediterranean and in the Indian Ocean, the extension of Soviet influence in Africa, in the Middle East, and in India, the persistence with which Soviet agents exploit and promote internal conflicts in so many countries around the world mean to us that communists have not abandoned their objectives of world conquest. Naturally they would wish us to think so and would be most happy if we obliged them.

This is not to say that the old left and the new right have nothing in common. We both want peace. But the new right does not want peace at any price, particularly at the price of freedom. With respect to assistance to underdeveloped countries, the new right takes second place to no one. But they want to make sure that the assistance is, first of all, practical, secondly, well planned, and thirdly, geared to the country's needs rather than to the pet schemes of certain individuals designed to promote their political popularity and advancement. We are also both in favour of Canada continuing in NATO under certain conditions, although we differ as to what those conditions are, and we both have misgivings about NATO, but for very different reasons.

With regard to continuing in NATO, I made my position clear in this chamber on March 21, 1968, and there is no point in repeating what is already on the record. My misgivings about NATO are implied in that speech, but in laying the groundwork of my reply to the points raised by Senator Lamontagne it is necessary for me now to be somewhat more specific. Basically, my misgivings about NATO and its effectiveness arise out of the fact that NATO has completely ignored the fact of the ideological war. They appear not to have understood what the communists and their leaders mean when they use the word ideology. They appear not to have understood the strategy, tactics and weapons which the free world must employ, not only for their own ideological defence but also to enable them to take the ideological initiative.

Speaking to officers and staff at NATO headquarters in March, 1958, Air Vice-Marshal Thomas C. Traill of Britain, a former central Atlantic NATO Air Commander, said:

> The war of arms, if it comes, is an extension of the ideological war. At the higher levels military and ideological strategy are one. Together they form the strategy of this world conflict. If we wish to survive it is madness to consider one in isolation from the other. The enemy is very clear on this. He is equally prepared

to take an ideological or a military initiative, to use an ideological or a military weapon. You in this headquarters and the forces you control are here to prevent the enemy attempting to take a short cut to his ideological objective, to prevent him from trying to force his ideas on his neighbours with bayonets. The armed forces hold the ring while the war of ideas is fought out. It is essential for our existence that you should hold the ring. But you cannot keep an idea the other side of a frontier with bayonets. You can only do that by taking the offensive with a better and stronger idea.

General Stehlin, Deputy Chief of the French Defence Staff, said in October 1959:

> We will have a real defence of freedom when we unite the ideological and military factors. This is total defence. It will introduce a new weapon—the weapon of a moral ideology. It is not enough just to have nuclear weapons. If the free world is not to be outmanœuvred by this new and powerful weapon, we must meet the enemy on his own ground and with the same weapons. It is with the weapon of a moral ideology that we will secure the peace and be able to build a new world.

General Carpentier, when he retired as Commander-in-Chief of Allied Forces in Central Europe, founded a booklet entitled *Revue Militaire Generale,* which was to serve as an informal publication in which senior military leaders of NATO might express their views on military matters. In the December 1959, issue, General Carpentier himself wrote an article reminding the NATO leaders of three things, in which he said:

> (1) If they are to survive, the western nations need an ideology superior to that of Communism.
>
> (2) Defence at the present time requires military resources but it also requires moral resources.
>
> (3) The ideological factor and the military factor must be combined for a real defence.

So strongly did General Carpentier feel about this that in the issue of April 1960, on his own responsibility, he published an article by Colonel-General Hans Ulrich von Erlich. The first paragraph of that article reads as follows:

> Today we live in an ideological age. An army without an ideology is beaten before the fighting starts. A nation without an ideology is already enslaved before any enemy has crossed its borders. A man without an ideology is a man who tomorrow will be without a country. Such are the realities of the ideological age which we have unwittingly entered. We have tried to ignore them. Today, on the penalty of committing suicide, we must face those realities.

In the face of the evidence which I have just quoted—and I could have quoted much more—it is difficult to believe that NATO commanders do not understand what is meant by ideology and ideological warfare, but in so far as they have disregarded it completely one cannot help but have misgivings.

What does the word "ideology" mean to the communist leaders of Soviet Russia and Red China? The sense in which the word is used by Air Vice-Marshall Traill, General Stehlin, General Carpentier and Colonel-General Erlich proves that they understand the meaning of the word quite well.

What, then, is an ideology as it is understood in the Kremlin, in Red China and by the military leaders I have just mentioned? First of all, it is an idea: not just any idea but a global idea, an idea big enough to embrace the whole human family, their economic and social environment, their governments and institutions and their whole way of life. But it is much more than a big idea. It is an idea plus a passion and a plan. A plan implies a strategy and tactics designed to impose this idea on all mankind. A passion implies commitment and dedication to give everything—one's energy, one's time, one's possessions, even life itself—to attain this objective.

Our free democratic society is based on the idea that man is a created being, and we are rapidly approaching the season when Christians celebrate the birth of the Prince of Peace, who we believe was God himself in human form, come down to earth to demonstrate the Creator's love by redeeming us from our sins, by teaching us how to live with one another and to demonstrate the power available to us if we really want to follow his reachings and the example that he set us. We have a written record of His life and teachings while on earth and a recorded history of the Creator's dealings with individual persons and with a people prior to His birth. These writings contain the moral law which should govern our relationships with our Creator and with one another, and they illustrate over and over again that

human nature can be changed and ordinary people can find God's plan for their lives and for their nation if they really want it.

These teachings are the blueprint of a hate-free, fear-free, greed-free world. Here we have a stupendous idea, big enough to embrace the whole human family for which it was intended. It is a global idea, big enough to unite East and West, black and white, communist and non-communist. All that is needed is a commitment to create this kind of world and then we would have the "moral ideology" that General Stehlin and others have referred to. But what are we doing about it? We do not even bother to live it out in our own lives or in the life of our own nation, much less do we have any plan or passion to extend it to the whole world. What is wrong with challenging Canadians to give God his rightful place in the affairs of man? Why are we so timid about it? In World Wars I and II thousands of our generation and the next generation died for their country. Why not challenge the present generation to live for their country?

Do we have any idea at all, apart from two cars in every garage and two chickens in every pot? The essence of an ideology is total commitment, total dedication, and sacrifice. Is there any idea to which the free world is totally committed? I think not. How then can Senator Lamontagne talk about the closing ideological gap between the so-called Soviet bloc and Western countries as he does on page 298, and repeats over and over again on subsequent pages. How can the ideological gap be closing when, as pointed out by Air Vice-Marshal Traill and the general I have mentioned, the West has no ideology at all?

On page 300 the senator refers to a widening ideological gap between Red China and the Soviet Union. There is no ideological gap between Russia and Red China. They both subscribe to precisely the same communist idea. They are both totally committed and dedicated to impose that idea on the rest of the world. The only difference between them is over the strategy and tactics that are to be employed in achieving this objective.

Soviet Russia wants to employ the strategy of peaceful co-existence. Mr. Khruschev explained it quite clearly in a speech he delivered at Novosibrisk in 1961. He said, and I quote:

> Peaceful co-existence must be properly understood. It represents a continuation of the struggle between two social systems, but a struggle carried on by peaceful means, without war and without interference in the internal affairs of other countries. For us it is an economic, political and ideological struggle, not a trial of military strength.

In explaining the policy of co-existence, Khruschev was merely restating the strategy outlined by Lenin when he said, and I quote:

> First we will take eastern Europe, then the masses of Asia, then we will encircle the United States which will be the last bastion of capitalism. We will not have to attack; it will fall like an overripe fruit into our hands.

Chairman Mao thinks this method is too slow to succeed. He fears that as the communist society becomes more affluent the new generations of communists will lose their dedication and commitment and along with it their determination to carry the struggle on to victory. The Kremlin leaders hope to avoid this through a dedicated party corps and tight party discipline over the masses, but Chairman Mao would prefer to employ violence rather than run the risk of losing the ideological war. There is no fundamental ideological difference between China and Russia. They are both agreed on their ideological objectives. They differ only as to the best way of attaining them.

Alger Hiss, an ex-communist, describes the communist ideology in these words:

> Communists are bound together by no secret oath. The tie that binds them across the frontiers of nations, across barriers of language and differences of class and education, in defiance of religion, morality, truth, law, honour, the weaknesses of the body and the irresolutions of the mind, even unto death, is a simple conviction: It is necessary now to change the world. Their power, whose nature baffles the rest of the world, because in a large measure the rest of the world has lost that power, is the power to hold convictions and to act upon them.

Honourable senators, the use which Senator Lamontagne has made of the words ideology, ideological and ideological gap is in my opinion very misleading and cannot help but cause confusion in the minds of Canadians to whom we should be giving enlightened leadership and direction. But there are other instances which I wish to bring to your attention. In his whole speech Senator Lamontagne used the word "communism" three times. Twice at the bottom left of page 299 he uses it in an

economic sense and at mid-right of the same page in a negative sense. In the remainder of his speech he substitutes the term "dictatorial socialism"—I regard this as an euphonism. Socialism, as founded in Britain by Keir Hardie, and in the Labour movement in the United States by Samuel Gompers, was a Christian movement founded on Christian principles. It had nothing in common with communism, which is a godless and atheistic movement. The effect of this use of the word socialism is to propagate the idea that communism is nothing more than a socio-economic system with emphasis on economics. Then he goes on to imply that communism is getting more like capitalism and capitalism is getting more like communism, and in time they will merge into a system that will be neither one or the other but something in between. I regard this as not only misleading, but very dangerous because it will contribute to lulling the people of Canada into a sense of false security. Earlier I pointed out that our free democratic society is based on a concept of man as a creative being. Communism is much more than a socio-politico-economic system, because it is based on the concept of man as mere animal and the values and institutions and way of life based on these two diametrically opposed concepts cannot possibly co-exist together in the same world. One or the other must eventually perish. Furthermore, communism is a militant ideology dedicated to the enslavement of the free world.

At the bottom left of page 299, the senator interprets Khrushchev's famous remark "We will bury you" in terms of Marxist philosophy. There was no need for the senator to resort to conjecture, because Khrushchev made his meaning abundantly clear on more than one occasion. For example, in Warsaw in 1956 he said:

> But of course we must realize that we cannot co-exist eternally. One of us must go to his grave. We do not want to go to the grave. They (the western powers) don't want to go to their graves either. So what must be done? We must push them to their graves.

Then in June, 1957, he said:

> The communists will destroy capitalism not with nuclear weapons, but through the spread of our ideology. We are as sure of this as we are that the sun will rise tomorrow. All we have to do is grease our ideology with butter.

[Hon. Mr. Carter.]

And again in Budapest on December 1, 1959, he said:

> We shall never forego our ideological principles. We are waging and shall wage an implacable struggle for the Marxist-Leninst ideology, for the triumph of the ideals of communism.

If there is any evidence that the people in the Kremlin or in Red China have abandoned their communist ideals and have abandoned their objective of world conquest, then I, for one, would like to have some evidence before I accept communism as merely a socialistic-economic system.

I come now to the main thesis of the senator's speech as put forward on page 298. Briefly stated, his thesis is that any substantial increase in Canada's aid to underdeveloped countries is tied to, and dependent on, reduction in our military expenditures generally and particularly in NATO. This is confirmed by his statement on page 302:

> Basically we have to choose...between continuing our military assistance to western Europe and increasing our economic assistance to the underdeveloped countries.

Let us look at that thesis. When Honourable Paul Hellyer, as Minister of Defence, went ahead with integration and unification of the armed forces, it was estimated that 100 million to 150 million constant dollars would be saved which could be spent on replacement of obsolete equipment. This saving materialized, but it was eaten up by inflation and by salary increases for armed services personnel. It was not available for equipment.

The present Minister of Finance announced some time ago that our present military budget would be frozen at $1.8 billion for a couple of years. In the meantime, reorganization would take place involving a reduction in total personnel strength, and any savings effected would be spent on modernizing equipment.

If we brought all our Canadian forces back from Europe and disbanded them completely, we would save about $140 million or $150 million. This amount and much more will be required, for several years to come, simply to replace obsolete equipment.

If we brought them all back from Europe and did not disband them, we would still have to pay them, feed them and provide them with clothing, shelter and equipment; then the savings would be much less, probably less than $20 million. The units we are

bringing back in June, if they are not disbanded, will effect a saving of about $8 million. Whether it is $8 million or $28 million, it will still be needed for equipment replacement, because the total budget has been frozen at $1.8 million.

Why should it be necessary for an affluent country like Canada, with our high average standard of living, to have to decrease defence expenditures in order to increase foreign aid? Last year our gross national product was $71.4 billion, and it has been estimated that this year it will be $78.2 billion. What are we doing with all this wealth we are producing? The figures which I am about to quote have been obtained from the Dominion Bureau of Statistics. In 1968 Canadians spent on alcohol $1.48 billion, an increase of 5 per cent over 1967. We also spent $1.062 billion on tobacco, an increase of 7 per cent over 1967. In 1968 Canadians spent $337 million plus on harness racing, and another $198 million on running races, a total of $535 million on these two items, representing a 10 per cent increase over 1967. If the Canadian people froze their expenditures on these three items at the 1967 level, they would have saved $182 million in 1968, and assuming a continued growth rate of 5 per cent there would be over $300 million available in 1969. Is it too much of a challenge to the Canadian people to ask them to cut back a little on these three items and to make that money available for assistance to underdeveloped countries and the underdeveloped parts of our own country?

In 1968 Canadians spent $900 million on travel abroad, as compared with $789 million in 1967. No doubt the figures for this current year are even higher.

In 1967 Canadians spent $206.4 million on candy and chewing gum, an increase of 5 per cent over 1966. In the same year Canadians also spent $40.8 million on dog and cat food, an increase of 10 per cent over 1966. Instead of taking the easy way out and pressing the Government to reduce defence expenditures, why are not Canadians challenged to become personally involved, to make little personal sacrifices, to assist the poor in other countries as well as our own? If we are too selfish and too soft to accept such a tiny challenge, then we must be a very sick society indeed.

In any case, we are not spending all the money that is presently available for aid to underdeveloped countries. It is very hard to make meaningful comparisons, because funds are made available on a fiscal year basis and expenditures are accounted for on a calendar year basis. However, in the last fiscal year ending March 31, 1969, $294.5 million were available and in the calendar year 1968, $214.6 million were expended. For the current fiscal year ending March 31, 1970, $33.81 million are available, and in the calendar year 1969 it is estimated that expenditures will be over $200 million, but considerably less than the amount voted. The unspent balances are not returned to Treasury but remain available, and if the pattern I have quoted for the calendar years 1968 and 1969 hold good for previous years, there must be a considerable fund available for aid to underdeveloped countries over and above the yearly amounts voted by Parliament.

A second implication in the senator's thesis is that Canadian forces are in NATO to defend western Europe. In the passage I quoted a few moments ago he refers to, and I quote:

> Our military assistance to western Europe;

and a little further down on the same page, page 302, he states:

> the countries of western Europe are certainly in a much stronger position today to provide for their own defence than they were twenty years ago.

I certainly take issue with the implication that Canadian forces are in Europe simply to defend Europe. The defence of the free world is indivisible. If Europe falls, neither Canada nor the United States will survive. Canadian troops are in Europe to defend Canada as much as to defend Europe because that is where our front line of defence runs. Furthermore, it is essential that Canada maintain a presence in NATO as a symbol of our belief in the principle of collective security.

Finally, honourable senators, we must never lose sight and we must never let the Canadian people lose sight of what NATO and defence expenditures are all about. We talk about them as though they were ends in themselves. They are not. They are means to an end. And that end is freedom: the kind of freedom sought by the Hungarians in their uprising; the kind of freedom towards which the Czechs were moving before they were re-enslaved; the kind of freedom that thousands in East Germany have risked their lives to attain. It is freedom to go from one country to another without asking permission; freedom to read any paper they want to read, to listen to any broadcast they want to hear;

freedom to write any article they want to write without being censored, and to criticize their government without being put in jail. These freedoms are denied to communists both in Russia and China.

A person may be killed by a slingshot or bow and arrow, but he is just as dead as if he had been killed with an atomic bomb. A country conquered by an ideology is just as much conquered as if it were done by force of arms. Once our freedom is lost it is not easy to get it back. The freedom we enjoy today has been dearly bought. It is too precious a thing to take any chances with and we would be grossly derelict in our duty to our grandchildren and coming generations if not only did we fail to ensure their freedom, but by our words and actions or lack of action, and by confusing issues, we helped to set the stage for their enslavement or destruction.

Hon. Orville H. Phillips: Honourable senators, we have heard the viewpoint of the old left in the Liberal Party and that of the old right in the Liberal Party. I feel that the senators are entitled to the facts, and I should like to adjourn the debate and present them to you early in the new year.

Hon. Mr. Martin: I thought we were going to hear from the new left of the Opposition.

On motion of Hon. Mr. Phillips (Prince), debate adjourned.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, the intention now is to have royal assent at 12.45 o'clock tomorrow. The Deputy to the Governor General has been so advised and has agreed to be here at that hour, subject to the conclusion of our business tomorrow.

I have discussed with the Leader of the Opposition our business tomorrow. We will consider third reading of the bill dealing with the Company of Young Canadians, and proceed with the Income Tax bill, which will be spoken to by Senator Fournier (De Lanaudière). The Leader of the Opposition has had an opportunity of seeing the general purport of that bill, and he believes that it would be possible for us to conclude it tomorrow.

There will be several other items of business. One will be a statement by Senator Langlois with regard to his recent journeyings into Asia. We are all looking forward to that presentation. I personally look forward to it, as I had looked forward today to the expressions of the new left, old left, new right and old right from the Leader of the Opposition and his party.

Hon. Mr. Flynn: We are very anxious indeed to hear Senator Langlois, especially as we saw excellent pictures of him last night.

ADJOURNMENT

Leave having been given to revert to Notices of Motion:

Hon. Paul Martin: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns it do stand adjourned until 11 o'clock tomorrow morning.

Hon. Mr. McDonald: Honourable senators, we know what will be on the Orders of the Day for tomorrow and that we are meeting at 11 o'clock, with royal assent arranged for 12.45. As our ranks are rather thin, I hope that those who are here now will return tomorrow morning and bring some of their colleagues.

Motion agreed to.

The Senate adjourned until Friday, December 19, at 11 a.m.

THE SENATE

Friday, December 19, 1969

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
OTTAWA

19 December 1969

Sir:

I have the honour to inform you that the Right Hon. J. R. Cartwright, P.C., M.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 19th day of December, at 12.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary
to the Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

INCOME TAX ACT

BILL TO AMEND AN ACT TO AMEND—
FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-139, to amend An Act to amend the Income Tax Act.

Bill read first time.

SECOND READING

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

Hon. Sarto Fournier, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to extend for one year the surtax of 3 per cent imposed in 1968 for the years 1968 and 1969.

The bill is entitled "An Act to amend An Act to amend the Income Tax Act." This is because chapter 38 of the Statutes of Canada 1967-68 is to be amended rather than the Income Tax Act. In 1968 an Act was passed to amend the Income Tax Act, cited as chapter 38 of the Statutes of Canada, 1967-68. It provided that section 104A be added to the Income Tax Act to impose a 3 per cent surtax on individuals and corporations, and section 4(2) thereof provided that the surtax would apply for 1968 and 1969. The bill now before the house merely substitutes 1970 and 1971 for the years 1969 and 1970, where appropriate in the coming-into-force section of the amending act passed in 1968.

The surtax on individuals is 3 per cent of basic tax in excess of $200. Basic tax is computed by the graduated rate schedule after any dividend tax credit, but is before deducting the provincial abatements, or the special 1966 tax reduction of 20 per cent (maximum $20) on any foreign tax credits. It is also before adding the Old Age Security tax or the Social Development tax.

The surtax on corporations is 3 per cent of a corporation's tax computed before reducing the tax by the amount of the provincial abatement and before adding the Old Age Security tax.

The tax on corporations will be extended by this bill to profits earned in 1970. Where a corporation has a taxation year, part of which falls in 1970 and part in 1971, the tax will be that proportion of the tax that the number of days of its taxation year falling in 1970 bears to the number of days in the whole taxation year.

The surtax on individuals applies only to the amount of basic tax in excess of $200. This results in all who have taxable incomes—that is to say, income after all exemptions and deductions—of less than $1,643 being exempt from all surtax. It is estimated that about 2,500,000 taxpayers, or about 30 per cent of the total, will be exempt from this tax in 1970.

Surtax will not be payable unless income exceeds the following amounts:

Single, no dependents: $2,743;
Married, no dependents: $3,743;
Married, one dependent child under the age of 16: $4,043;
Married, two dependent children under the age of 16: $4,343;
Married, four dependent children under the age of 16: $4,943.

The amount of surtax payable by individuals with higher income is as follows:

Income $	Single No dependents $	Married No dependents $	Married Two dependents $
5,000	12	6	3
7,500	29	22	18
10,000	49	40	34
15,000	103	91	84
25,000	236	223	215
50,000	623	606	597

I turn next to the effect of surtax on corporations. The surtax increases the rate of corporation income tax on the first $35,000 of taxable income from 18 per cent to 18.54 per cent, and the rate on taxable income in excess of $35,000 from 47 per cent to 48.41 per cent. The combined rate of federal income tax, Old Age Security tax and provincial income tax in Ontario and Quebec, when the surtax is included, is 23.54 per cent on the first $35,000 and 53.41 per cent on income in excess over that amount.

The amount of surtax payable by corporations on various amounts of income is as follows:

Taxable Income $	Surtax $
35,000	189
50,000	400
100,000	1,105
500,000	6,745
1,000,000	13,795
5,000,000	70,195

The comparative revenue from surtax over the two periods is as follows:

	1969-70	1970-71
	($ millions)	
Individuals	135	140
Corporations	75	80
Total	210	220

I hope, honourable senators, bearing in mind the circumstances of which you are aware and following the explanation received from the department which I have just given, it will not be necessary to refer this bill to a committee. Therefore, if there is no objection after having heard the remarks of those who wish to speak, and after second reading has been voted, we might proceed as soon as possible to the third reading of the bill.

[Hon. Mr. Fournier.]

Hon. Jacques Flynn: Honourable senators, I agree with the sponsor of the bill; his explanation is entirely satisfactory. We know precisely what this bill seeks to achieve, and what it will do.

As you know, it is a watered down version of the famous bill which was defeated in February 1968. Normally the Government was supposed to resign or call an election, but it asked forgiveness from the house and obtained it, in circumstances that appear, in retrospect, rather amusing. At the beginning, the bill sought to impose a surtax of 5 per cent. Then, to meet the rules and to avoid presenting a second bill identical with the one which had been defeated, a bill was introduced to impose a surtax of 3 per cent on individuals and corporations.

At that time the tax was imposed because it was felt in international financial circles that Canada had to bring some order into its financial affairs. Our country was being pressured by the international money market and was being severely criticized by the International Monetary Fund. Canadian finances were running at unheard deficits and the operation was in total disorder.

The excuse given now for seeking the extension of the 3 per cent tax for another year is that it is necessary in order to win the battle against inflation, and to maintain fiscal restraints and Government revenue.

Honourable senators know that doubts have been expressed as to the efficiency of the present policy of the Government to try to control inflation. Also skepticism is felt generally when the Government speaks of an austerity program. In fact, this Government is incredible when it speaks of fiscal restraints, because public expenditures have blown sky-high since 1968. The budget in that year was well below $10 billion. The Main Estimates for this year total $11,857 million, a mere $900 million increase over last year. You will remember that not so long ago we were called upon to vote supplementary Estimates of $66 million, and, surely, before the fiscal year is over we will have to add again to the total sum of expenditures for the current fiscal year.

The supplementaries which we voted some time ago do not really suggest, that the Government is very serious about its announced intention to control or reduce expenses. It is my opinion that added taxes will inevitably lead to higher prices which, in turn, will cause added unemployment.

Successive tax increases have been presented as anti-inflationary measures, and no doubt they would have been, if the money had been used to build up a surplus so that the Government could stay out of the bond market. Instead, these successive tax increases have been exceeded by increases in Government spending, and this has served only to contribute to the inflationary spiral.

What this country needs is not more taxes, but an efficient control and a more intelligent set of priorities in Government spending.

This bill, as the explanatory note would have it, is temporary. It has been temporary since it was first introduced in 1968. It was supposed to be for one year only.

Let us not forget all this fancy double-talk in the White Paper on Taxation, which incorporates this surcharge in a new standard charge. But let us remember that very often what is supposed to be temporary has a way of becoming permanent. Was that not the case with income tax itself? When it was first imposed about fifty years ago it was supposed to be a temporary measure. Honourable senators will remember that it was entitled Wartime Income Tax Act—a title which was retained even during the twenty years of peace which followed the First World War.

The use of the word "temporary" in the explanatory note strikes me as cynical. It exposes the unbridled arrogance and callous indifference of this Government toward the Canadian taxpayer.

Last year 37 per cent of the gross national product was taken by the public sector. It is now estimated that within five years their share will rise to 41 per cent. In order to bring about this increase in its share, the public sector will have to seize 45 per cent of the gross national product—45 cents out of every new dollar worth of production.

This bill may appear innocuous enough, but, in fact, it will take $220 million from the Canadian taxpayer—as has been admitted by the sponsor—and already the same Canadian taxpayer is possibly the most heavily taxed person in the world.

The bill is entitled an Act to amend an Act to amend the Income Tax Act. I predict, honourable senators, that next year we will have a bill which will read, "an Act to amend an Act to amend an Act to amend the Income Tax Act."

Hon. Arthur W. Roebuck: Honourable senators, I do not understand the process of an act to amend an act that amended an act, unless we are going to re-re-enact the act that amended the act in the first instance. I am quite serious about that. I do not think it is effective. We passed an act, we have amended that act, and that amendment became effective and was acted upon, and now we propose to amend the amending act without passing the amending act after it has been amended.

Hon. Mr. Flynn: It was passed last year.

Hon. Mr. Roebuck: That is true, but we are now going to change it and not make it applicable to the original act. I very much doubt the effectiveness of a proceeding of this kind. Unless we pass the second amending act, and then re-pass the amendment to make it effective against the original act, I very much doubt the effectiveness and I would like an explanation.

Hon. Mr. Flynn: Well, I am not going to defend the Government on this. I suggest it might well have been improved.

Hon. Mr. Fournier (De Lanaudière): Honourable senators, I am far from being an expert in these affairs. We always have to have a title, so that the people to whom we are talking will know what we are talking about. Here we are talking about an amendment that was already passed to the Income Tax Act, and we are proposing to amend that amendment. It is just a matter of name, and it all leads to the same result, because the moment the Income Tax Act was amended, the amendment became part of it. I suppose we might have called it an amendment to the Income Tax Act, but in an attempt to clarify the situation, and to satisfy the members of the other place as well as honourable senators, we have intituled the bill "an Act to amend an Act to amend the Income Tax Act." In my opinion it may appear to be a bit complex, but it is actually very simple and I have no objection whatever.

Hon. Allister Grosart: Honourable senators, an interesting point has been raised. I think the obvious reason for having the bill presented in this form is that the Government is not prepared to admit that this is not a temporary addition to the taxation of Canadians. If it were presented in the form that Senator Roebuck would like, it would be an act to amend the Income Tax Act, and that would be an admission on the part of the Government that this word "temporary" in the notes is a mere camouflage. Perhaps we could have

a word from the sponsor of the bill as to the meaning of the word "temporary" in the explanatory note and also used in his statement. What does the Government mean by "temporary"? Is it prepared to assure us that this is a temporary surcharge on basic taxation?

Hon. Mr. Fournier (De Lanaudière): I think the appropriate answer to that question is to say that this belongs in the realm of government policy, and I do not feel properly qualified to explain in this chamber the intentions of the Government in the future. I expect that will be known in due course.

Hon. Mr. Grosart: With respect, as I raised the other question—and I am clarifying my question—I directed it to the sponsor of the bill, because one assumes he is here to explain to us what the Government's policy is in relation to the bill. Otherwise, I do not know why we bother having bills sponsored.

Hon. Mr. Martin: I would not agree with that statement, unless it were to become the tradition that the Leader of the Government himself sponsor every bill.

Hon. Mr. Flynn: God forbid!

Hon. Mr. Martin: The practice established before I came here was that an effort be made to distribute the opportunity of sponsorship among members sitting to Mr. Speaker's right. I think that is a good practice.

There can be no doubt that the purpose of the bill is quite clear. It is to extend for one year the surtax of 3 per cent imposed in 1968—

Hon. Mr. Grosart: So was the last one.

Hon. Mr. Martin: —and again for the year 1969. If there is any change in the policy next year, the Government will announce it. The answer to the honourable senator's question is that the purpose of the bill is to extend the surcharge one further year.

Hon. Mr. Bourget: It is done the same way in the United States.

Hon. Mr. Phillips (Rigaud): I should like to direct my question to the respected honourable Leader of the Opposition. In referring to the current rate of taxation of some 38 per cent to gross national product, and in the projection of possibly up to 45 per cent, I am sure the honourable leader meant to refer not only to federal taxation but also to provincial and municipal taxation.

[Hon. Mr. Grosart.]

Hon. Mr. Flynn: Yes.

Hon. Mr. Phillips (Rigaud): Thank you.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Fournier (De Lanaudière): With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the number and amount of Loans to Immigrants made under section 69(1) of the Immigration Act for the fiscal year ended March 31, 1969, pursuant to section 69(6) of the said Act, chapter 325, R.S.C., 1952.

Report on the Administration of the Members of Parliament Retiring Allowances Act for the fiscal year ended March 31, 1969, pursuant to section 18 of the said Act, chapter 329, R.S.C., 1952.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. Lazarus Phillips, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

That the Standing Senate Committee on Banking, Trade and Commerce be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

Hon. A. Hamilton McDonald: Honourable senators, perhaps I should advise the Senate that the Acting Chairman of the Standing Senate Committee on Banking, Trade and Commerce has had preliminary meetings with the Chairman of the Standing Committee on Internal Economy and Contingent Accounts and with the Chairman of the Standing Senate Committee on National Finance, and that he has also discussed this matter with Mr. Dean, the Chief of Administration and Personnel.

We are following the practice laid down a few weeks ago of committees obtaining permission from the Internal Economy committee before expenditures are made. A budget will be presented by the Chairman of the Banking, Trade and Commerce Committee to a subcommittee of the Internal Economy committee before any money is spent.

Hon. Allister Grosart: Honourable senators, may I call attention to the fact that in asking leave of the Senate, Senator Phillips (Rigaud) did so within the rules, and I commend him—

Some Hon. Senators: Hear, hear.

Hon. Mr. Grosart: —on what is still a rare occurrence in this chamber. The main offenders in this regard are still those who have charge of the business of the house. I refer particularly to the Leader of the Government and his deputies who have not yet, for some reason, decided to do this chamber the courtesy of asking leave within the rules. A case in point was the important bill that was presented to us earlier today on which leave was not asked within the rules. I submit to Your Honour that unless leave is asked within the rules, leave is not asked and the question cannot be put.

Hon. Mr. Martin: As this is the Christmas season, perhaps I should not make a reply.

The Hon. the Speaker: As this matter has apparently been closed, I hesitate to revert to it. I do not think it is up to the Chair to intervene, but I was ready to mention under which rule leave was being asked. However, the question has been raised by the honourable Senator Grosart, and I hope that in future the sponsor of a bill will be prepared to state the rule under which leave of the Senate is being asked.

Motion agreed to.

MASS MEDIA

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(h), moved:

> That the names of the honourable Senators Bélisle and Phillips (Prince) be substituted for those of the honourable Senators Welch and White on the list of senators serving on the Special Committee of the Senate on Mass Media.

Motion agreed to.

AGRICULTURE

GRAIN STORAGE AT THE LAKEHEAD—QUESTION AND ANSWER

Hon. Hazen Argue: Honourable senators, I should like to ask the honourable Leader of the Government in the Senate a question. It is prompted by a press report shown to me a few days ago indicating that the quantity of grain in storage at the Lakehead at the present time is exceedingly low. It was reported that there are some 24 million bushels of wheat, and a lesser amount of other grains, in terminals which have a total capacity approaching 100 million bushels.

The producers are greatly disturbed that this situation should prevail at a time when there are literally no standard quotas available in respect of grain for delivery. The producers are anxious that this situation be corrected as quickly as possible so that they might market their grain.

My question is: what action is being taken to fill the terminal elevators so that farmers will have a chance to deliver their grain?

Hon. A. Hamilton McDonald: Honourable senators, as Senator Argue gave previous notice that he would ask this question, the following information has been made available, and I should like to read it.

Country elevators and terminal elevators were congested at the beginning of the crop year and, in addition, the railways had some 12,400 cars of grain under load to the Lakehead which could not be unloaded. In the intervening time there has been a steady movement out of the Lakehead to Eastern Canadian positions for domestic and export requirements, and the back-log of cars has been unloaded and returned to domestic service. The space which now exists at the Lakehead has been the result of a very heavy movement of grain to Eastern Canada in the past few weeks to service the export movement out of the St. Lawrence before the close of navigation, the domestic milling and feed grain requirements during the winter, the export program from Atlantic ports during the winter months, and early shipments out of the St. Lawrence River after the opening of navigation in the spring. In addition, as is usual at this time of year, lake vessels are being loaded with grain for winter storage. The outward movement by vessel has been much greater than the inward movement by rail and, consequently, a considerable amount of storage space has been created. This space

will be filled as rapidly as possible by a movement from country shipping points, and it is the intention to have the terminals fully utilized prior to the opening of navigation in the spring.

Hon. Mr. Argue: I thank the honourable senator for the answer. May I also ask him whether he can give any assurance that the railways will do a superior job during this coming winter in the movement of grain to the Lakehead. It is well known that last year there was a lamentable lack of box cars.

Hon. Mr. McDonald: Honourable senators, I certainly wish I could give that assurance, but I think I would be acting in a rash manner if I did so. I would point out, however, that there will be pressure from the western grain producers, farm organizations, and country elevator companies, and it is to be hoped that it will have the desired results.

Hon. Mr. Argue: I wonder if Senator McDonald would bring this very important discussion to the attention of the heads of the railway companies.

Hon. Allister Grosart: Honourable senators, I rise on a point of order—and I hesitate in doing so—to suggest that we keep within our rules. I ask honourable senators to read Rule 32, which prohibits a debate on an interrogation.

The Hon. the Speaker: Honourable senators, while we are on this matter, and having regard to the remarks of the honourable Senator Grosart, I would hope that when we return from the Christmas recess honourable senators will co-operate with the Chair in this respect. When the Question Period is called a specific question may be asked, but honourable senators should refrain from indulging in lengthy explanations of their questions. I refer all honourable senators to rules 32 and 40, and I rely upon their co-operation.

Hon. Mr. Argue: Honourable senators, I should like to make a brief comment. I have followed closely the method of procedure in the other place. It is perfectly true that His Honour the Speaker tries to keep questions as short and pointed as possible, but, with great respect, I suggest that there is room for a measure of leniency which will allow a senator to explain the background of his question.

The country pays little enough attention to this chamber, and it would seem to me that if we follow a very rigid interpretation of the rules—and I point out that by unanimous consent they can be broken—then the country will pay even less attention to us. It is my view that a senator in a brief way, without taking up an undue amount of time, should be allowed to explain the reason for his question, as I endeavoured to do this morning. I did co-operate in that I discussed this matter in advance with the Government leader so that an answer could be prepared.

The Hon. the Speaker: I know I can rely upon the good judgment of all honourable senators to keep within the spirit of the rules when they ask a question of the honourable Leader of the Government. All honourable senators will agree that the Question Period cannot be used as a means of generating debate.

Hon. Mr. Grosart: Honourable senators, I rise on a point of order. I was not objecting to the brief explanatory remarks made by Senator Argue. Honourable senators will see that the rule allows brief explanations in respect of both the question and the answer. What I was objecting to was the non-observation of the latter part of the rule, which reads:

> Observations upon any such answer shall not be allowed.

The purpose of that is to prevent a debate before the Orders of the Day are called. It seemed to me that is exactly what was happening, and it was to that I was objecting. I agree entirely with Senator Argue that a senator asking a question should be allowed to explain his question. I do not object to that at all.

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—THIRD READING

Hon. Paul Martin moved the third reading of Bill C-171, to amend the Company of Young Canadians Act.

Hon. Hazen Argue: Honourable senators, may I make a brief comment at this time?

This is a very difficult measure. I appreciate the sincerity of all those who either favour the measure or have doubts about it. Every good Canadian will regret the circumstances into which the C.Y.C. has fallen. Every senator will regret and oppose those within the organization at present and in the past who have promoted violence in any way as a method of dealing with public questions in this country.

Having said that, I would hope that the Government would take a sympathetic attitude towards what I consider to be the basic

idea of this whole movement. Initially, it was to give young Canadians with ideas, ideals and idealism a chance to use their talents to bring about what we would all agree is needed, social reform in certain areas. We should institute a legitimate means by which this desire for reform might be channelled, instead of allowing the older generation to block off and appear to impede on every occasion this idealism among youth.

I have my own family, and I think of my own children and young son-in-law. Sometimes their ideas are frightening, but basically they are good children. If they have this kind of idealism and this desire for reform, even though some of us who are older think it wrong and misplaced, we should treat them with great tolerance. While we take every step to prevent violence and breaking of the law, nonetheless we should not close our minds to what was a good movement in the first place, and one which at this time I consider should be maintained and continued as a principle and an idea.

I refer now to another item which demonstrates that it is possible for the older generation to be just as intolerant as we consider some of the younger generation in some of their ideas. I regret to refer to an incident that happened in the City of Regina on Monday, December 8. I am sure that most honourable senators have heard about it. In Regina on that day a young man, 19 years old, and under suspicion by the police, was coming out of a building. He was asked to halt, but did not and proceeded to run away. The police shot at him three times, hit him twice and killed him. He was unarmed. In my opinion that kind of action by the police is a most important aspect of this troublesome situation.

After this incident some of the young people in Regina demonstrated against what had taken place. The local Chief of Police, with many of whose statements I disagree, some weeks ago advocated publicly that the merchants of that city should be armed so that in the event of an attempted robbery they could shoot the robber on sight. I know that some people may feel that this kind of action should be taken, but it seems to me that by doing this we would create a climate of violence. Whether that climate is created by the C.Y.C. or by the police themselves using bad judgment, it should be criticized and should not be condoned.

A statement was issued by the Chief of Police of Regina regarding this incident. The police officers involved were not named. A few days earlier the R.C.M.P. had made the largest number of arrests and seizures in relation to narcotics in the history of Saskatchewan. A newspaper report, which was attributed to an undisclosed R.C.M.P. source, listed the names of all those who had been arrested, together with the circumstances of their arrests. This might prejudice those who will be considering this action at a future date. However, the statement issued by the Regina Chief of Police regarding the shooting incident did not disclose the names of the officers involved.

By using these references I am suggesting that good Canadians in the Senate and in the House of Commons should regard our youth with great tolerance. We should admire their idealism and do everything we can to be tolerant and to channel this idealism in a constructive direction. If our young people make mistakes their behaviour will in no way be improved nor can it be corrected by older Canadians in responsible positions acting in an unjustifiable manner.

Hon. Chesley W. Carter: Honourable senators, I certainly agree with Senator Argue that the basic idea upon which the Company of Young Canadians was founded was sound. It was intended to mobilize the idealism of youth and put it to good service in the interests of Canada, and of uplifting the lives of Canadians who are more or less in the deprived class. I point out to Senator Argue that that is not what happened. Idealism was conspicuous by its absence. There is no one in this chamber or in Canada who is against idealism, but I think we would be very foolish if we did not, after seeing what has happened, take steps to prevent the same mistakes recurring.

One of the reasons the C.Y.C. is in this trouble is that sufficient care was not taken to make sure that the Company was made up of Canadians motivated by idealism. Yesterday's edition of the Ottawa *Citizen* carried a story about two members of the Company of Young Canadians who were not Canadians at all, but were from the United States. One of them was receiving $350 a month and the other more than $400 a month. After an investigation carried out on these persons, during which many weeks were spent in contacting them and trying to get reports from them, it was learned that they were doing nothing related to the work of the Company of Young Canadians. When things got too hot for them, they both disappeared completely. It is all

very well to talk about idealism, but we must be realistic as well.

Before concluding, I should like to comment on what Senator Quart said yesterday. She pointed to the good work being done by the Girl Guides, the Boy Scouts and organizations of that nature, and told us that recently the grants to these organizations have been drastically reduced. Earlier this week there appeared before the Special Committee of the Senate on Poverty, of which I am a member, representatives from the Frontier College. This organization is doing great work, much along the lines of that supposed to be done by the Company of Young Canadians. The Frontier College employs young people from universities, mainly on a part-time basis during the summer months, and a small number, about twenty-five, in the winter months. These are idealistic young people who are well screened and supervised. This was not done with the Company of Young Canadians. They are given basic training and sent out, some of them working in labour camps, upgrading the workers' education, others developing leadership in communities and groups. The Frontier College representatives told us of projects being pursued in different parts of Canada, one of them in Newfoundland. They send these people out on the understanding that they will work in the communities to which they are sent, doing whatever work they can do. If they are working with railroad gangs, they work on the railways; if they are working in fishing communities, they work in a fish plant or do some allied work. In addition to whatever they can earn from their occupation, the Frontier College pays them a supplement amounting to about $1,200 a year. For that expenditure of $1,200 per person, these workers from the Frontier College can upgrade twenty to thirty people academically and develop community leadership in the group.

In the evidence given to the committee by the representatives of the Frontier College—which is doing wonderful work and producing remarkable results for a small overhead of about $1,200 per person, compared with the $13,000 per person for the Company of Young Canadians—they told us that their grant also had been cut, and cut drastically, as Senator Quart pointed out was the case with the Girl Guides and Boy Scouts.

I take this opportunity of drawing to the attention of the Government Leader the great work that is being done by the Frontier College, and I ask him to use his influence to see that these people get more encouragement than they have been getting.

Hon. M. Grattan O'Leary: Honourable senators, I should like to say a few words about the Company of Young Canadians. I have read their reports, and I have read reports by others about them.

I must say that I become a little weary when distinguished senators like Senator Argue and Senator Carter talk in this house about idealism. In the hard stony ways of our lives, idealism is not enough. I also get impatient of the use of the word "tolerance". People say that we must tolerate this and tolerate that. It is the most abused and misused word in the English language. If you tolerate a thing, it is because you think it is wrong. What I believe these people mean is that they have sympathy with these ideals. We do not tolerate murder, rape or lawlessness. We try to understand what is behind such behaviour.

The weakness in setting up the Company of Young Canadians was that it gave them a position of responsibility and a task which was all sail and no anchor. If these young people wished to make a contribution in this country, there was a clear, established way in which they could do it. This is a parliamentary country. All that we have, all that we have been, all that we hope to be, is enshrined in our parliamentary system. If these young people really wanted to make a contribution in Canada, their task, their job, was to join one of our political parties and make a contribution in that practical way.

The trouble with most movements such as C.Y.C., and the trouble with most of our society, is that it is all know-how and no know-why; all signposts and no destination. It is not enough to say that you are an idealist if you are preaching nonsense. The Company of Young Canadians should never have been set up in that way. These young men should have been told by our leaders, by our schools and by our clergymen what democracy in this country is about. It does not mean a lot of young men calling themselves idealists, running around with crazy ideas and crazy motives. It means getting down to the hard tasks of government in the hard and stony places of the human spirit. As a young man I joined a political party, and I have worked for political parties ever since, because I believed and convinced myself that that was the only practical way of getting the right action, or what I thought was the right action,

in my country. Yes, all signposts and no destination.

The basic trouble is in our educational system. We Canadians have never rightly understood what true education is about. We have thought it could be judged by what we see in huge auditoriums and buildings, bricks and mortar. We confused, and we continue to confuse, vocational training with education. Education is not something to give a man a standard of living. It is something to give him a standard of life, and, until we understand that, we will continue making mistakes in what we call our educational system. Education is not something to make a man a lawyer, a doctor, an engineer or a priest: it is to make him a man. When our schools and educational authorities begin to realize that, then we will avoid in future, I hope, the nonsense of a Company of Young Canadians being given money and free rein to do what they thought was right.

The mistake these young people are making is in their belief that if you come later you must be wiser. That is what is wrong with organizations such as the Company of Young Canadians—a disrespect and disregard for the past. I have said again and again, in the Senate and outside, that the belief by the younger generation that everything that has been done has been wrong, that they are wiser because they are younger, is something which flies in the face of all human history and human experience.

I have often recalled what the great Renan once wrote in *Souvenirs of My Youth.* Here was a man who was a great scholar who quarreled with his church. His church appealed to history against him, and he became one of its most formidable antagonists. Yet, in his declining years, in a passage of mournful and haunting beauty he spoke of the importunities of youth, recalled the days when he heard the church bells on the Breton coast summoning him to his prayers. "I could not choose but hear," he said, and he pleaded with men not to forget the past, but at least to bow where they could not pray. This is the trouble with our young Canadians, a trouble we see with too many of the youth all over this land. They have not been taught to respect the past, to realize that there have been great traditions and deeds and great men in history, and that the young may not have all the answers.

We, too, of an older generation and older faith, have a love of Canada and we are trying our best.

I hear young men going around sneering at what they call "professional politicians." Not long ago, when speaking at a university, a young man from the audience said to me, "We have respect for public men. What we disrespect are professional politicians." I replied to him this way: Young man, do you know who the professional politicians were? Burke, who is always on your lips, was a professional politician. He gave up to party what was meant for mankind. Canning, Pitt, Fox, Gladstone, Disraeli and the immortal Churchill, all were professional politicians. We come to the United States, and who is there but Abraham Lincoln, the glory of freedom and democracy. He was a professional politician. So also was Daniel Webster, Henry Clay and Calhoun.

Then come to your own country. Who were the people who made this Confederation? They were professional politicians. If Confederation had been left to the young people in Canada, regardless of their ideals, or had been left to lawyers, doctors, businessmen and such people, Confederation would never have taken place. It was left to John A. Macdonald, a pro to his very core, and to Jacques Cartier, a pro to his very core. It was left to Thomas D'Arcy McGee and the others. These were the men who built Confederation, just as professional politicians in England were the men to build up the Empire, which is now the Commonwealth. For heaven's sake, let us not tolerate this continuous smearing of public men and politicians.

I feel that in our high schools and universities respect for democracy, the Parliament, and an understanding and respect for the party system, should be taught. Personally, I have no patience with the young people who are running around calling themselves idealists and advocating policies which, as I said, are all sail and no anchor.

Hon. Mr. Carter: May I ask a question? Does Senator O'Leary not think that the characteristics of youth today, to which he has just referred, is not so much the fault of the education, but the fault of the training they are getting from their university professors across Canada, particularly in the faculty of social science.

Hon. Mr. O'Leary (Carleton): I do not know how you distinguish between the training of professors in universities and what I have said about our kind of education, generally.

Hon. Arthur W. Roebuck: Honourable senators, I agree very strongly in the first instance with Senator Carter in his report of what took place in the Poverty Committee when we had before us the representatives of Frontier College. They are doing splendid work.

We have a considerable number of illiterate people in this country, not because of any fault of our educational system but because many of them have come here from places where the educational methods and facilities are far below ours. I would like to see the Frontier College given every possible support.

I am not going to criticize the C.Y.C., because I do not know enough about it. Of course, I stand with Senator O'Leary in expressing disapproval of giving young people or old people public money to go out and spend without supervision and responsibility. It may be that we have sinned against these youngsters rather than their sinning against us, or perhaps we have both sinned in that regard. Now we are going to take a little better control and it may be that things will improve.

I should like to say something about youth. It is a mistake to criticize youth in a general way. I do not see the degradation of the younger generation, as sometimes expressed by older people. I can go back, but only hazily, into my own youth and find that if I think too closely I will blush at some of the things I said and did. I am not different from anyone else in this room in that regard. We were all immature when young. Perhaps some of us are still a bit immature, but do not forget that those who come to our attention are the eccentric few among the great mass of young people. But, to take it as a whole, these young people of ours are well educated, much more so than we were. They are serious and hard-working young people. Go to the colleges and see them working. You will, of course, find a few who may have too much money in their pockets and they raise hell, but there are just a few. The great mass of them are good students, seriously working for their own careers in the time to come, and I honour the young people.

I have sometimes expressed the hope that the young today would have more intelligence than we ever had, because we have much to apologize for. Witness the conditions that we tolerate. If you excuse the word, Senator O'Leary, we have tolerated some bad conditions in this country, and poverty is one of them. I hope that the young people, when they take over, will have had some experience. I am in favour of lowering the voting age, because the youngsters of Canada have greater maturity than we had when we were young. I want to see them take their responsibility. I like to see them thinking and expressing their thoughts, if they are honest thoughts, even if I think them, in part, wrong. I like to see them entering into the dialogue and discussion of public affairs. I honour the young people. I am hopeful for the future because of them. I think they are the best educated, the most moral young people that have ever existed on this planet. I look strongly to them, and I will pass on my responsibility to the young people that I know, with a reasonable degree of confidence.

[Hon. Mr. O'Leary.]

Motion agreed to and bill read third time and passed.

Leave having been given to revert to Notices of Motions:

Hon. A. Hamilton McDonald: I move that the Senate do now adjourn during pleasure, to reassemble for royal assent at the call of the bell, at approximately 12.45 p.m.

Motion agreed to.

The Senate adjourned during pleasure.

At 12.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Right Hon. J. R. Cartwright, P.C., M.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Customs Tariff and to make a consequential amendment to the Excise Tax Act.

An Act to amend the Judges Act.

An Act to amend the Excise Tax Act.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways

System and Air Canada for the period from the 1st day of January 1969, to the 30th day of June, 1970, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

An Act to authorize provisional payments for the 1969-70 crop year in respect of unthreshed grain in the prairie provinces.

An Act to amend the Children of War Dead (Education Assistance) Act.

An Act to amend the Company of Young Canadians Act.

An Act to amend An Act to amend the Income Tax Act.

An Act to amend Schedule A of the Bank Act.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1970.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

Hon. Leopold Langlois: Honourable senators, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell at approximately 5 p.m.

Motion agreed to.

The Senate adjourned during pleasure.

At 5 p.m. the sitting was resumed.

BUSINESS OF SENATE

Hon. Paul Martin: Honourable senators, I regret that because we had adjourned until five o'clock, it was necessary for you to return. I now have no alternative but to propose that we adjourn again until the call of the bell at approximately 7.30 p.m.

Hon. Mr. Connolly (Ottawa West): Honourable senators, if I may add a word, I have just come from the House of Commons, and the adjournment there is until eight o'clock.

Hon. Mr. Martin: Honourable Senator Connolly has just spoken to me about this, but I have just come from a meeting where the hour of resuming was agreed upon.

Hon. Mr. Connolly (Ottawa West): I heard the Speaker of the other place say eight o'clock. In any event if the other house does resume at eight o'clock to introduce legislation, it would be some little time thereafter before it reached us. But as to the hour of resuming in the other place, I heard the order made.

Hon. Mr. Flynn: Honourable senators, I suggest that if the Leader of the Government learns that the other place is adjourning until a later hour, he can delay the ringing of the bell here. I am sure there will be no objection.

Hon. Mr. Denis: It will ring sooner or later.

The Senate adjourned during pleasure.

At 8.10 p.m. the sitting was resumed.

AIR TRAFFIC

RATIFICATION OF COLLECTIVE AGREEMENT

Hon. Paul Martin: Honourable senators, I am pleased to be able to inform the Senate that the Government has received advice from the Canadian Aircraft Control Association that their membership has ratified the terms of settlement as outlined in the memorandum of agreement between the Government and the association which was signed last Wednesday, and that they are prepared to execute the collective agreement as soon as practicable. The President of the Treasury Board expects that this will take place late Monday afternoon, December 22.

I am also pleased to be able to say that a collective agreement with the International

Brotherhood of Electrical Workers, representing electronic technicians, will be signed on the same afternoon.

Hon. Senators: Hear, hear.

Hon. Jacques Flynn: Honourable senators, I merely want to say that this is good news, not only for Members of Parliament but for the whole public of Canada. I am quite sure it will be received with joy everywhere, because a strike would have disrupted the plans of many Canadians. I think the members of the Canadian Aircraft Control Association are to be congratulated on their good sense under the present circumstances.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, there are not many parliamentary occasions when there is a good line used that should be repeated. I was in the other place tonight when this announcement was made, and one honourable member rose solemnly in his place and said, "Despite the nice things that have been said on the part of the Government and on the part of the official Opposition, I want to record my deep displeasure at this situation, because now my mother-in-law will arrive for Christmas."

Hon. Mr. Flynn: You cannot please everybody.

Hon. Mr. Martin: Honourable senators, the Leader of the Opposition (Hon. Mr. Flynn) has expressed the sentiments of all of us, and I fully concur in what he has said.

To Senator Connolly (Ottawa West) I can only say I am sure it is not only mothers-in-law who will arrive in time, but other members of the family as well.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Paul Martin: Honourable senators, I move, with leave of the Senate, and notwithstanding Rule 45(1) (g), that when the Senate adjourns today it do stand adjourned until Tuesday, January 27, 1970, at 8 p.m.

From January 20 to January 30, there will be almost continuous sittings in Ottawa, in our committee rooms, of the Special Senate Committee on Mass Media, under the chairmanship of Senator Davey.

The Special Senate Committee on Poverty, under the chairmanship of Senator Croll, will be meeting during the week from January 12 to January 17, and the week following.

Therefore, many members of the Senate will be engaged at those meetings in January.

Motion agreed to.

Hon. Paul Martin: Honourable senators, before I move the adjournment of the Senate, I should like to express to you our very best wishes for Christmas and the New Year. I wish to express to the honourable Leader of the Opposition un Joyeux Noël et une Bonne et Heureuse Année.

I am sure I speak for all of us when I wish to those at the Table—the Clerk and the Clerk Assistant—to the Gentleman Usher of the Black Rod, and to all the other officials of the Senate, to their staffs and their families likewise, a sincere wish for a happy and merry Christmas. May 1970, which ushers in a new decade, be for them a year and a decade of happiness and prosperity; and may it be likewise for our country and for the world.

Hon. Senators: Hear, hear.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I thank the Leader of the Government for his personal compliments. I am always quite touched by his very special attention and I sometimes try to do the same.

Hon. Mr. Martin: I can assure you that having spent 33 years in the other place, I have a very good reason to accept those good wishes.

Hon. Mr. Flynn: I had moreover the opportunity to see the Leader of the Government at work in the other place, and I have nothing but praise for his flexibility and his kindness.

Hon. Maurice Bourget: Well said.

Hon. Mr. Flynn: Honourable senators, I join with the Leader of the Government in expressing to all senators my very best wishes for a Merry Christmas and a Happy New Year. I share his gratitude towards the clerk, his assistant, the gentleman usher of the Black Rod as well as all the staff members. Of course, Your Honour, I do not forget you—I had included you among the members of the Senate.

I feel that, in spite of the sceptics, we were able to accomplish some serious work for the country during the first part of the second session of the 28th Parliament. We are not members of a mutual admiration society.

However, I know that we can still improve, but I feel that once in a while the Senate should rest and reflect on what it has done, and especially on what remains to be done, and that the holiday season is ideally suited to do that. I therefore feel that we can go home, with our minds at rest, and think of other things.

Once again I join with the Leader of the Government in wishing everyone of my colleagues, as well as the Senate staff, a Merry Christmas and a Happy New Year. May all your wishes come true.

The Senate adjourned until Tuesday, January 27, 1970, at 8 p.m.

THE SENATE

Tuesday, January 27, 1970

The Senate met at 8 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers.

TRIBUTES

THE LATE SENATOR GUSTAVE MONETTE

[*Translation*]

Hon. Paul Martin: Honourable senators, as we resume our work in this chamber, it is my duty to pay tribute to one of our distinguished colleagues, Senator Gustave Monette, who passed away during the Christmas recess.

Senator Monette was born at St. Philippe de Laprairie. He was educated at Ste Thérèse de Blainville's College and at the University of Montreal. He was called to the Bar in July 1911.

His legal career was marked by the success of the legal firm of which he was the leading adviser. Quebec lawyers recognized his ability by electing him in 1947 President of the Bar of the Province of Quebec and of Montreal. His reputation as a great lawyer extended over the boundaries of his province and many Canadians join with his fellow citizens in mourning the loss of a man of such talent.

Upon his appointment to the Senate in 1957, Senator Monette enhanced his prestige by an active and efficient participation in the discussions of the Senate and the proceedings of Senate committees. His affability and his broad-mindedness earned him the respect and admiration not only of members of his party but of all his colleagues here.

I held Senator Monette to be one of the most distinguished Canadians. To his family and to Senator Flynn and the members of his party, we extend our sincere sympathy.

Hon. Jacques Flynn: Honourable senators, we were greatly saddened on Christmas Eve on learning of the death of one of the most distinguished members of this house, Senator Gustave Monette, who represented the Mille Îles division.

Gustave Monette was a man endowed with nobility of character and spirit, so devoted was he to his duties that he stood as an example in this house and an irrefutable argument against its abolition.

Undoubtedly, Senator Monette was first and foremost a great lawyer, one of the most learned I ever met from the Bar of the Province of Quebec. As pointed out by the Leader of the Government, his colleagues acknowledged his talents by electing him President of the Bar of the province in 1947, an honour which he fully deserved. Personaly, I often sought the advice of Senator Monette. I remember that the first time I appeared before the Supreme Court of Canada in a very important case Gustave Monette acted as my adviser.

During his short career in the Senate—although appointed in 1957, poor health over the past three or four years prevented him from taking an active part in our debates—Senator Monette was known as an authority on constitutional matters and his judicious advice was sought by many; we shall miss that.

After his classical studies at Ste Thérèse de Blainville's Seminary he studied law at the University of Montreal, then a branch of Laval University in Quebec City. Senator Monette, however, admitted that he owed much to the education he received from his parents, especially his mother. He was the son of a farmer of the County of Laprairie, which he loved; he was extremely fond of the land, the people and the farmers of his region.

[*English*]

Honourable senators, this uncommonly good man who was Senator Monette could have enjoyed an exceptional career in the field of politics, and one from which all Canadians would have benefited immensely. However, fate did not smile upon him at the polls, and we can only surmise that God in His wisdom thought it best to protect the innocent from the harsh realities of active politics. I always thought that with a little bit of luck Gustave Monette could have had an exceptionally successful and useful career in politics. However, his formidable and incisive mind was put to the service of this great country which he loved so dearly, by his appointment to the Senate in 1957. The contribution he made in this chamber during those years, before illness limited the extent to which he could participate, was precisely what one would have expected of a man for whom proper and effective use of God-given talents was not only a moral obligation, but a joy and a privilege.

[*Translation*]

For my part, I shall sorely miss the wise counsel of this man for whom I had the greatest admiration. I believe that all members of this house share my feelings and will join with me in extending to his children and all his family our deepest sympathy and the assurance that he will live forever in our memory.

Before resuming my seat, honourable senators, may I say how sorry I am to hear of the illness of Senator Roebuck. In the name of all members on this side, and I am sure I speak for the whole chamber, I wish him a speedy recovery from the heart attack which he suffered on Friday.

Hon. Léon Méthot: Honourable senators, as you have just been told, we have, since our last meeting, lost one of our colleagues, the Honourable Gustave Monette.

For me, this was a personal loss, the loss of a very good friend, of a colleague that I had the privilege of getting to know both in the practice of the legal profession and during my political career, and also in the Senate to which we were appointed at the same time in October 1957, and where we shared an office for eight years.

As soon as he was called to the Bar, Gustave Monette joined the legal firm of the Honourable J. L. Patenaude, who was at one time Lieutenant Governor of the province, and of three other colleagues. He was the moving spirit of this legal firm which was established at that time.

He acted as counsel in a great number of the judicial districts of the province, and in the Appeal Court the judges praised his ability and his talents time and again. Many times he pleaded before our Supreme Court and even before the Privy Council in England.

He had a prodigious memory and was hailed as one of the great lawyers of his time.

He was always available, wholly dedicated and was ever ready to help those who called upon his extensive knowledge of the law. I, for one, often had the opportunity to avail myself of his services as counsel in important cases and everytime I congratulated myself on having asked him to plead with me.

His wife always supported him during her lifetime. Her death occurred before that of Senator Monette.

He had many children and was a great Christian, a man of principles; he worked relentlessly and set for all an example of kindness.

I join with previous speakers in extending my sincere sympathy to his family.

[*English*]

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the National Film Board of Canada, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1969, pursuant to section 20(2) of the National Film Act, chapter 185, R.S.C., 1952.

Copies of a Report by the Science Council of Canada entitled "Astronomy in Canada and Canadian Participation in the CARSO (Carnegie Southern Observatory) Project".

Report of the Department of Agriculture for the fiscal year ended March 31, 1969, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C., 1952.

Statutory Orders and Regulations published in the *Canada Gazette* Part II, of Wednesday, December 24, 1969, and January 14, 1970, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

Report on the Operation of the Regional Development Incentives Act for the period December 1 to December 31, 1969, pursuant to section 16 of the said Act, chapter 56, Statutes of Canada, 1968-69.

Report of Operations under the Atlantic Provinces Power Development Act for the fiscal year ended March 31, 1969, pursuant to section 6 of the said Act, chapter 25, Statutes of Canada, 1957-58.

Statement of Receipts and Expenditures under Part V of the Canada Shipping Act (Sick Mariners) for the fiscal year ended March 31, 1969, pursuant to section 321 of the said Act, chapter 29, R.S.C., 1952.

Report of Expenditures and Administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1968, pursuant to section 9 of the said Act, chapter 26, Statutes of Canada, 1956.

Report of the Department of Transport for the fiscal year ended March 31, 1969, pursuant to section 34 of the Department of Transport Act, chapter 79, R.S.C., 1952.

Report of the Department of Transport containing a Statement of Wharf Reve-

nue Receipts and a Statement of Harbour Dues for the fiscal year ended March 31, 1969, pursuant to section 14 of the Government Harbours and Piers Act, chapter 135, R.S.C., 1952.

Copies of a Report, dated January 1969, entitled "Port of Churchill, Potential for Development, Volume I", prepared for the Department of Transport and the National Harbours Board.

Copies of a Report on the Activities of the Adjustment Assistance Board for the fiscal year ended March 31, 1969, in accordance with the provisions of the Automotive Manufacturing Assistance Regulations.

Copies of a Report of the Royal Commission on Farm Machinery (Dr. Clarence L. Barber, Commissioner), dated December 1969, intituled: "Special Report on Prices of Tractors and Combines in Canada and Other Countries".

Revised Capital Budget of Central Mortgage and Housing Corporation for the year ended December 31, 1969, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, as approved by Order in Council P.C. 1969-2363, dated December 17, 1969.

Statement of the Chartered Banks of Canada showing Revenue, Expenses and Other Information for the fiscal year ended October 31, 1969, pursuant to section 119(1) of the Bank Act, chapter 87, Statutes of Canada, 1966-67.

Public Accounts of Canada, Volumes I, II and III, for the fiscal year ended March 31, 1969, pursuant to section 64(1) of the Financial Administration Act, chapter 116, R.S.C., 1952, as amended by Chapter 27, Statutes of Canada, 1968-69.

Report of the Superintendent of Insurance for Canada—Volume III, Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1968, pursuant to section 9 of the Department of Insurance Act, chapter 70. R.S.C., 1952.

Consolidated Capital Budget of the Export Credits Insurance Corporation and the Export Development Corporation for the year ended December 31, 1969, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copies of Order in Council P.C. 1969-2401, dated December 19, 1969, approving same.

[Hon. Mr. Martin.]

Copies of a White Paper on "Metric Conversion in Canada", dated January 1970.

Capital Budget of Polymer Corporation Limited for the year ending December 31, 1970, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1970-51, dated January 14, 1970, approving same (English text).

Copy of a letter, dated January 5, 1962, addressed by the Minister of Northern Affairs and National Resources to the Secretary-Treasurer of the Hasper Chamber of Commerce, with respect to leasehold lands in the National Parks. (English text).

Report of the Atlantic Development Board for the fiscal year ended March 31, 1969, including its Accounts and Financial Statements certified by the Auditor General, pursuant to section 19 of the Atlantic Development Board Act, chapter 10, Statutes of Canada, 1962-63, as amended 1963 and 1966.

Copies of a Statement made by the Minister of Transport to the Brussels Conference on Pollution of the Sea by Oil on November 10, 1969.

PETITION

REFUND OF FEES TO PETITIONERS

Hon. Alan Macnaughton: Honourable senators, with leave of the Senate, I move, seconded by Hon. Mr. Denis, that the fees paid on a proposed bill respecting Salon Juliette Ltée be refunded to the solicitor for the petitioners.

Honourable senators, perhaps I should explain this motion. This petition was filed during the last session of Parliament and subsequently was abandoned by the petitioners. The sum of $300 was paid—$200 parliamentary fee and $100 deposit on the cost of printing the bill. As the petition was not presented and the bill was not printed, no costs were incurred by the Senate. The solicitor is Mr. D. E. Nicholson, of the Ottawa law firm of Lieff and Nicholson.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by Hon. Mr. Macnaughton, seconded by Hon. Mr. Fournier (De Lanaudière), that the fees paid on a proposed bill respecting Salon Juliette Ltée be refunded to the solicitor for the peti-

tioners. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Sarto Fournier: Honourable senators, may I rise on a point of order. I am sorry to interrupt, but the motion proposed by the Honourable Mr. Macnaughton is seconded by the Honourable Mr. Denis. Now, Mr. Speaker, you suggest my name as the seconder. We are both very proud to second the motion of Senator Macnaughton.

The Hon. the Speaker: Honourable senators, I am very sorry, but I could not hear the name of the seconder from where Senator Macnaughton sits. I hope that the Clerk will take note of the objection and make the correction.

Hon. Mr. Denis: Honourable senators, I am not objecting. I wish to say that both Senator Fournier and I are happy to share the honour.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Wednesday, January 28, 1970, at 2 o'clock in the afternoon.

Motion agreed to.

RULES OF THE SENATE

PUBLICATION OF REVISED EDITION

Hon. Hartland de M. Molson: Honourable senators, I should like to draw your attention to the little book which you will find on your desks tonight. It is a copy of the Rules of the Senate which is now in final form.

As you will remember, the committee which was entrusted with the task of examination of the rules did its work a year ago last autumn, and finally in December a year ago the Senate in its wisdom approved the rules and instructed that they be printed in suitable form in English and in French, together with an index and an appendix containing the Forms and Proceedings of the Senate.

In May 1969, we received an advance copy of the Rules of the Senate only, which I think was helpful, although it had one or two rules which still required amendment. Until now we have been operating under the Rules of the Senate as set out in that advance copy.

In particular, I call your attention to Appendix II, which contains the Forms and Proceedings of the Senate which are completely brought up to date. You will remember that in the old book of Forms and Proceedings a great deal of the matter was so completely out of date as to be almost useless. All this work has been done by our own staff under the direction of the Clerk of the Senate, and I think it is a most commendable job.

I should just like to say that I hope now, after what I feel is a very lengthy time, these Rules will prove to be helpful in our proceedings in this chamber, that they will facilitate and speed up our work, and that the effort put in by your committee will prove to be worth while.

Hon. Arthur M. Pearson: Honourable senators, could we have some clarification concerning Rule 12, which reads in part:

> If, at six o'clock in the afternoon, the business be not concluded, the Speaker or the chairman of the committee...

What does that mean? Does it mean that this chamber is to be made into a committee room?

Hon. Mr. Molson: This would apply to the situation where the Senate had resolved itself into Committee of the Whole. In those circumstances there would be a chairman presiding and not the Speaker.

Hon. Mr. Pearson: Perhaps that is what it means, but it does not say that.

Hon. Mr. Leonard: If honourable Senator Pearson looks at Rule 5 covering definitions he will find that this matter is dealt with.

TAX REFORM

STUDY OF WHITE PAPER BY SENATE COMMITTEE

Hon. Salter A. Hayden: Honourable senators, before the Orders of the Day are called, I would ask the consent of the Senate to make a very brief report on the activities of your chairman and the vice-chairman of the Standing Senate Committee on Banking, Trade and Commerce to which has been referred the White Paper on Taxation.

Hon. Orville H. Phillips: How short will the report be, Mr. Speaker? I have the greatest respect for the honourable senator and I enjoy listening to him speak but, like most of us, his definition of "short" can on

occasions be rather lengthy. For that reason I should like to have some idea as to the length of time his remarks will take.

Hon. Mr. Hayden: About five or six minutes. If you want to you may take out your stop-watch.

Hon. Mr. Phillips (Prince): I would be more than willing to give Senator Hayden double that time.

Hon. Mr. Hayden: Honourable senators, as you know, the White Paper was referred to the Standing Senate Committee on Banking, Trade and Commerce shortly before the Senate recessed at Christmas. We had the problem of organizing and staffing the committee, but with the able assistance of the vice-chairman we have succeeded in securing a first-rate staff. I hope to report in greater detail on this important matter tomorrow morning when the committee meets.

So far, we have secured the services of Mr. Arthur W. Gilmour of Montreal as Executive Director, and this in turn brings to our assistance his staff because he is the head of the Montreal branch of the Clarkson, Gordon firm. We have secured our legal advisor from the MacAuley firm in Winnipeg. In this matter we were assisted and advised and received recommendations from two of our very good senators, Senator Haig and Senator Everett. These members of the staff have been at work organizing our procedures and the forms in which briefs will be submitted.

Tomorrow we will hear Mr. Bryce and Mr. Brown. I expect it will be a general questioning session. I would further expect that because of the nature of their briefs we may have to call them back from time to time.

On Thursday we will receive our first submission, which is one from Noranda Mines. Our sittings on both Wednesday and Thursday will commence at 9 o'clock in the morning. Before the end of tomorrow we expect to have secured from Montreal a highly recommended, qualified and fully bilingual man who will be our Executive Secretary. He will analyze the briefs according to a format already settled and will be in charge of the direction of the staff.

As I have said, honourable senators, we hope to start at 9 o'clock tomorrow morning and perhaps will spend five to ten minutes in camera to present the staff to you and to discuss matters of procedure. I expect that we shall start hearing from Mr. Bryce and Mr. Brown at approximately ten minutes after 9. However, I would like before we start with them to outline a method that might at the beginning expedite the asking and answering of questions because we have some material that we would like to file at that time.

[Hon. Mr. Phillips (Prince).]

NORTH ATLANTIC ASSEMBLY

FIFTEENTH ANNUAL CONFERENCE AT BRUSSELS, BELGIUM—DEBATE CONCLUDED

The Senate resumed from Thursday, December 18, the adjourned debate on the inquiry of the honourable Senator McDonald, calling the attention of the Senate to the Fifteenth Annual Conference of the North Atlantic Assembly, held at Brussels, Belgium, 16th to 21st October, 1969, and in particular to the discussions and the proceedings of the conference and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada to NATO Bases in Europe.

Hon. Orville H. Phillips: Honourable senators, in rising to challenge Senator Hayden I had a rather ulterior motive in mind. I thought that if I questioned him and then gave my consent to proceed, he would be obliged to sit and listen to my remarks. I hope he will not find the punishment too severe.

Honourable senators, in moving the adjournment of the debate before the recess, I stated that we had received the views of the old left and the new left of the Liberal Party and that we now needed certain facts. My remarks will attempt to cover a few basic facts, and I shall then deal briefly with certain fallacies I feel were contained in the remarks of some honourable senators participating in the debate on NATO. I will not at this time go into the origin of NATO or its purposes, because I feel that aspect has been adequately covered.

The first fact that must be recognized is that Canada does not have a clear, concise defence policy. We have a number of press releases and statements, but we do not have a clear defence policy. At one time our external affairs and defence policies were almost the same. That is, when the NATO policy was adopted by External Affairs, the Defence Department followed along. Now we have utter confusion. External Affairs is sharply divided on matters of policy with a number of our NATO allies, and the defence minister is in difficulty with the Secretary of State, hoping that he can explain certain foreign decorations. As I say, the general picture is one of utter confusion.

During the recess we received the Statement of Policy of the Canadian Chamber of Commerce, and I felt that the individuals drafting the section on defence must have followed the Senate debate on NATO. Firstly, I would like to read to you two sections from the recommendations of the Canadian Chamber of Commerce. The first is paragraph 289 which appears at page 74:

> Neither geography nor history nor self-interest will allow our country to adopt a policy of isolationism or non-alignment or neutrality. Our external policy, and hence our defence policy, must continue to reflect our adherence to the Charter of the United Nations, our membership in NATO and our friendship with the U.S.A.

Then paragraph 292, which deals with our defence costs, states:

> Though few Canadians need to be persuaded on the necessity of maintaining effective armed forces and a credible military posture, all Canadians are concerned with defence costs. Wasteful and uncontrolled expenditures cannot be accepted. Our defence budget must be a measure of our commitments, external and internal, no more and no less.

I interpret this as meaning that the Chamber of Commerce is concerned with the fact we have fixed our defence budget at a certain level.

They go on to point out the utter confusion that exists in our defence policy. In section 293 they say:

> The Chamber is disturbed by the Government's stated intention to bring about a planned and phased reduction of the size of Canadian forces in Europe, before having completed the current review of foreign and defence policy. It is considered that our position would be more tenable, if any Canadian initiative in this sensitive area awaited completion of the policy review.

Honourable senators, they then show us that they are the optimists of the year, because their first recommendation is that the Government of Canada complete with due diligence its review of foreign and defence policy, and that the results be clearly and publicly stated.

Honourable senators, far be it from me to be partisan in any regard, but I find it difficult to imagine this Government being clear in any of its policy statements. If proof of that is needed, then a look at our defence policy is all that is necessary to demonstrate that decisions in respect to troop withdrawals from NATO in Europe are already made. They have been announced and discussed with our NATO allies, and they are to have effect from July of this year. Yet, we still have a policy committee reviewing the subject. I feel that it is about time someone advised this committee that the decision has already been made, and that it will be given effect to in July. Otherwise the committee might come out with a report in August that may be rather embarrassing to the Government.

Other honourable senators who have participated in this debate have described the origin of NATO. It is not necessary for me to remind the chamber of the details, but I do point out that there was a very urgent need for NATO at the time of its formation. Communism was spreading throughout Europe, and no country in Europe was able to withstand its onslaught alone. Thus we had the formation of NATO, and since that time not one square foot of Europe has fallen to communism.

On the other hand, the Russians have not been idle. While they have been waiting for their propaganda to take effect upon the Western nations, their navy has been completely rebuilt and modernized. Perhaps it is worth while remembering, honourable senators, that in the North Atlantic tonight there are approximately 200 Russian submarines, many of them nuclear powered and many of them nuclear armed. The Russian land army has been completely modernized, and it possesses vehicles that are capable of travelling over radio-active terrain. They have an almost identical number of intercontinental ballistic missiles, equal in force to those of the United States. Their reconnaissance bombers shadow the eastern coast of Canada.

To those who feel that communism has settled into a cocoon, or into a bat-like trance, to wait for the night when NATO has disappeared, I can only say: "Look at the complete globe. Look at the influence of communism throughout the Middle East, Egypt, and through Africa to Nigeria." Egyptian pilots were flying Russian MIG fighter aircraft in Nigeria. Russia has not reformed. It has not given up its objective of global conquest.

Honourable senators, there was a need for NATO, and that need still exists. Nothing has happened during the history of the North

Atlantic Treaty Organization to call for its disbandonment.

There are those who feel that we in Canada do not need a defence force, that we can depend entirely upon the United States. I would point out that the American people are becoming very tired of being criticized for maintaining huge armed forces, and yet, at the same time, being called upon to be the bulwark of the defence of the Western world, and indeed the democratic world. It is rather strange to me that those who would condemn the United States for maintaining such a large armed force would also say that we Canadians do not need an armed force of our own because we can depend upon the Americans. At the same time, these people are very much concerned about American participation in our economy, but for the sake of our protection they continue to ask for American military occupation of our half of the North American continent. This is a type of political schizophrenia that I cannot understand.

Honourable senators, whether we invite American troops in to protect us, or whether we invite those of some other NATO nation, once those troops come into this half of the North American continent known as Canada they are not going to leave very readily. They are not going to leave because the St. Jean-Baptiste Society, the Orange Lodge, the National Liberal Association, or any other association passes a resolution urging that they go home. We are responsible for our own defence and we must face that fact.

The Americans on numerous occasions have already served notice that they do not intend to continue defending certain nations for free, and at the same time suffer criticism for doing so. Senator McDonald referred to Mr. Denis Healey's remarks at the Brussels meeting, in which he stated we were living in a fool's paradise if we think the Americans are going to continue their present attitude forever. Mr. George Ball, when he appeared before the committee of the House of Commons, emphasized this very fact. He said that the United States is becoming very tired of paying the shot for the defence of the Western world, and he urged Canada to continue to support the NATO organization.

President Nixon, in his address to Congress, pointed out that the United States will now start to reduce their defence expenditures. They will keep their treaty commitments, but they are not going overboard in respect to supplying military aid in the way we have come to expect during the past few years.

[Hon. Mr. Phillips (Prince).]

Honourable senators, if I may I should like to refer for a few minutes to certain fallacies that have been presented during this debate. First, if it were not for this horrible creature NATO and the defence expenditures that go with it, we could do wonders in the way of reforming the world; in a sense, we could become international flower children and engage in anti-military mission work. The people who say this are what I would call Leacock economists.

Hon. Mr. Lamontagne: Give us some quotes.

Hon. Mr. Phillips (Prince): I will be more than happy to do so, Senator Lamontagne. As you know, this is the hundredth anniversary of Leacock's birth, and I would like to give a quotation.

Hon. Mr. Lamontagne: He was one of the very great men.

Hon. Mr. Phillips (Prince): Referring to economists, he said:

> Take enough of that mystification and muddle, combine it with the continental area of the U.S., butter it up on the sides with the history of dead opinion and dress it, as the chefs say, with sliced history and green geography and out of it you can make a doctor's degree in economics.

I think in all fairness I should point out to Senator Lamontagne—

Hon. Mr. Lamontagne: In medicine too, I think.

Hon. Mr. Phillips (Prince): —that Leacock had a degree in economics.

Hon. Mr. Lamontagne: I have no Ph.D.

Hon. Mr. Phillips (Prince): I am not suggesting that you received your degree in economics at the same time as Leacock did. You are a bit younger, I recognize that, but I must say this, sir, that you have mastered the technique of muddle and mystification and are well qualified to give lectures in that regard. If I may I shall refer to your rather interesting speech for a moment. You made the suggestion that we send our armed forces to the emerging nations—of course, they would be minus uniforms—and they could help the development of those countries. I am sure Leacock would have had a field day with this, Senator Lamontagne. I ask you to imagine our Department of External Affairs

asking the Government of Nigeria or Gabon to take certain armed forces. Consider the case of thirty colonels. They have been unified, integrated, stripped of their foreign decorations, provided with new uniforms, stripped of all pride and tradition. They have been certified by the Secretary of State as what I would call hippie colonels. You could apply to Nigeria or Gabon to send these people there to help them. Well, in Nigeria you know what General Gowon is going to tell you. He will tell you very explicitly where to go. Gabon will tell you to go to the same place and take the colonels with you.

I do not wish to sound overly critical of your speech. I am trying to point out to you that you will have difficulty not only in Canada with your idea, but you are going to have difficulty in the emerging nations because most of them have better equipped armed forces than we have in Canada.

Hon. Mr. Lamontagne: You had better reread my speech.

Hon. Mr. Phillips (Prince): May I suggest that you re-write it, sir.

Hon. Mr. Lamontagne: That was not the purpose. I will write it in French this time.

Hon. Mr. Phillips (Prince): If you will rewrite that speech I promise that I will try to read it in French.

Senator Carter pointed out to you that Canada is already unable to administer its budget in External Affairs. The thought occurred to me that if we follow your rather intriguing suggestion, what would happen? Firstly, some one is going to suggest that we need a new department, a new group to administer foreign aid in these emerging nations. We could probably hand it over to the regional development agency, or some such organization. Ye Gods, honourable senators, what confusion that could cause! We could have secession, civil war and a Biafra every day if we let those boys in. I suggest that we stick to the more conventional form of foreign aid.

Senator O'Leary was greatly concerned when people reported back from the NATO meetings that they emphasized one aspect of NATO only, the military alliance. Senator Robichaud in his rather interesting remarks dealt with the non-military aspects of NATO. He emphasized that the Canadian delegation had participated in the discussions dealing with the economic and social aspects of life, what we might call human environment. He referred to certain motions that had been passed at Brussels. It is very easy to agree with one motion, that is, that our efforts to deal with pollution have proved inadequate and have failed. However, the resolution passed urging members of the assembly to initiate appropriate action in their Parliaments to bring about the recognition of the North Atlantic Assembly because the parliamentary consultative body of the North Atlantic Alliance leaves some cause for concern.

I refer to a television interview given by Mr. Philip Givens, Member of Parliament for York West. He stated that the House of Commons was as useless as an udder on a bull, for the simple reason that no one listened to the advice offered by the Commons. I am not sure, honourable senators, whether Mr. Givens is of the new left or the old left. I did have a certain amount of sympathy for him when he said that he had been a Liberal for thirty years. That should discourage anyone, but I leave it to senators opposite to decide whether he is of the new or the old left.

I found myself in agreement with Mr. Givens in a certain regard, that the present Government does not listen to advice offered by Canadian parliamentarians. This applies as much to this chamber as to the House of Commons. What intrigues me is the fact that Brussels is to become the parliamentary discussion group. Surely no one is naïve enough to believe that if they speak in Brussels instead of in Ottawa the present Government is going to give their views any more consideration.

Another viewpoint that is often put forward by the Leacock boys is that Russia is ready and waiting for a NATO cut-back so that they can match the reduction in defence expenditures and the maintenance of their armed forces. Honourable senators, this is utter nonsense. In 1969 the United States, despite its heavy involvement in Vietnam, reduced its defence expenditures by $1.1 billion. The Union of Socialist Soviet Republics increased its defence budget by $2.4 billion. The United States has indicated that there will be a further cut-back this year. If we could receive some indication of reciprocal action from the other side of the iron curtain, those who advocated cutbacks so that Russia could follow our example would be a bit more credible. The example has been set on this side of the iron curtain. Let us see something on the other side.

We often overlook the fact that the Warsaw Pact exists to counteract NATO. I would like to make a comparison of the armed forces of the countries in the Warsaw Pact with Canada as a member of NATO. Roumania is a member of the Warsaw Pact, much smaller in size than Canada, with a population of 20 million. It has a permanent military force in excess of 200,000, a militia force of 60,000 which can be mobilized within 48 hours, plus a border guard of 50,000, a total in excess of 300,000. Canada has a population of 22 million; our armed forces have been reduced to around 80,000 and our militia to 20,000, giving something in excess of 100,000, or a ratio of three to one in favour of Roumania as opposed to Canada.

Senator McDonald referred to a certain proposal concerning nuclear weapons. Honourable senators, I hesitate to keep complimenting a fellow Tory, but I was rather intrigued with Senator McDonald's proposal. I can see the feasibility of taking a certain longitude and latitude, depending on the area of the world, giving a map reference and saying to the Warsaw Pact, "If you go beyond this point you are responsible for detonating the nuclear weapon and it is your responsibility."

During the recess I read an article by General Fernand Gombiey, the Director of the French Institute of Higher Defence Studies, in which he was referring to what one might term the mini bomb. This is a hydrogen bomb which is very economic; in other words, it is cheap; it will not require an atomic bomb to detonate the H-bomb; this can be done by a laser beam. I would remind honourable senators who may think of the laser beam as something of the future, that a laser beam was directed to the moon on the first Apollo landing, and quite recently the Canadian Defence Research Board made an announcement concerning their progress in developing laser beams.

This weapon, which is in the economic range of any nation, large or small, rich or poor, could be put ashore on our coast from a fishing trawler or a submarine and detonated by a chemical laser, which is not in existence at present but will be in the not-too-distant future. Bearing in mind our large Atlantic and Pacific coastlines, this is a matter that should concern Canada particularly, and a great many of the NATO nations in Europe. This mini H-bomb, as powerful as any presently in existence, could be placed ashore and detonated by a laser beam. The frightening thing about this is that we would not be sure who placed the bomb there or who detonated it—in other words, anonymous aggression.

Honourable senators, I draw this to your attention because Canada has been neglecting its coastal defences. We have very little navy left. For the last several years we have had to tie up most of our naval vessels because we did not have the personnel to man them at sea. Our Maritime Air Command has been drastically reduced. We now have on the Atlantic coast about 15 Argus aircraft covering the whole coastline, and one of these aircraft is detailed to perform one specific purpose, which is to make a flight across our northern territories once every two weeks to assert our Arctic sovereignty. It frightens me to think that we have let our huge coastline become so neglected that we can fall prey to almost any nation in the world. I hope that both NATO and Canada will give particular consideration to this aspect in the future.

Honourable senators, in closing I would point out that if Canada completely withdraws from NATO—and here I am emphasizing the military aspect—the writing is on the wall, and the free world will be divided, not among the Medes and the Persians but among the anarchists and the communists. I would much rather have NATO than have the world divided among the communists and the anarchists.

Thank you, honourable senators, for your attention.

Hon. Daniel A. Lang: Honourable senators, I offer my congratulations to the honourable Senator Phillips (Prince) for his remarks tonight. I should also like to offer my congratulations to those who have preceded me in this debate, which has been on the Order Paper for some time. Throughout the debate we have had expressions of honest opinions held by those who have different approaches to the problem, and it is in this atmosphere that we can develop an attitude that may possibly lead to a better policy. I commend the Senate for having a debate as extended as ours has been on this very important issue.

I have spoken in this chamber before, perhaps on too many occasions, on this same subject; my views are already very well known and I do not wish tonight merely to reiterate something I have said before. In fact, I had not intended to participate at all until I had the opportunity today of reading the remarks of my honourable colleague Senator Lamontagne on December 9. Senator Lamontagne is a man of no mean intelligence.

I say that from personal experience of him for some months past in the Special Committee of the Senate on Science Policy. I would say that his views are well reasoned. He is eminently qualified to carry great weight in any forum on any matter. Tonight, however, I hope that I may be able to endorse the premises upon which he bases his rationale and his assumptions, but I must dissociate myself from the conclusions that he has come to, based on those assumptions which we hold in common.

As reported in *Hansard* of December 9, Senator Lamontagne's concluding remark was:

> Canada has indeed reached the international crossroads.

Hon. Mr. Lamontagne: Read the whole thing.

Hon. Mr. Lang: The conclusion should be what we are concerned with, rather than the reasoning leading to it. Senator Lamontagne said:

> We have to choose between making a minor contribution to the prevention of a conflict in Europe, which is becoming a more and more remote possibility, and playing a greater and more substantial role in preventing a world catastrophe, which will become inevitable if nothing more is done about it.
>
> Our choice, at this crossroads, is very simple, I think. We must, at one and the same time, work towards closing the ideological gap that separates the East from the West and help under-developed countries to succeed in their industrial takeoff so that the affluence gap that isolates them from the industrialized countries does not continue to grow. That is a big challenge, but the Western world, including Canada, cannot afford not to take it up.

Honourable senators, in my humble opinion, I submit to you that that is a very simplistic viewpoint, involving as it does the very preposterous deduction that by discontinuing what he refers to as "a minor contribution to the prevention of a conflict in Europe", we will automatically "play a greater and more substantial role in preventing a world catastrophe" and "work towards closing the ideological gap that separates the East from the West" and "help underdeveloped countries to succeed in their industrial take-off".

In my opinion this is a leap of the imagination rather than an exercise in reason and logic. However, I would say that Senator Lamontagne is not alone in his views, nor in the conclusions which he reaches, and which I submit are invalid conclusions based on valid premises.

His views are very widely shared today, particularly among the academic community in Canada. They were recently reflected by Professor James Eayrs, in his testimony before the House of Commons on Foreign and Defence Policy. Indeed, I would surmise they are not entirely foreign to some of the views held today in the present ministry of this country.

In order to substantiate that, I would like to draw the attention of the Senate to an article appearing under a headline on the top of page 1 of this morning's *Globe and Mail*. The article is written by Robert Duffy, a *Globe and Mail* correspondent and, if I may, I would quote excerpts from it. I do not really have to say that I share very much the position he sets forth. He says:

> Nobody really likes NATO. For governments, its collective principles are often a restriction on national policy, and its cost in men and money is repeatedly a source of bickering. The military professionals are instinctively more nationalistically inclined than international in outlook. Taxpaying public opinion, in Europe as well as in Canada, is suspicious of all military establishments.
>
> In various member countries, the need for NATO has been raised again and again in political debate, but the answer has always come to the same thing: "Warts and all, it's the best collective security arrangement we've got."
>
> Throughout its history NATO has remained, and probably will always be, a purely military alliance concerned with European security. This fact is at the root of the question of whether Canada belongs in such an organization.
>
> Considering only its military aspects, the answer to the question is probably "No". There are political dimensions of the problem which are peculiar to the Canadian position, however, and they suggest to many thoughtful observers in Europe that in its qualified withdrawal from NATO, Canada has done the wrong thing at the wrong time for the wrong reasons.

By all accounts, Prime Minister Pierre Trudeau took office with at least a strong inclination to take Canada entirely out of NATO. Those who know something of his thinking believe he would really like to put Canada in some kind of non-aligned position internationally, to stand virtuously apart from all manifestations of power politics.

Further on he says:

Beyond that, however, there was something deeper in the European reaction to Canada's "defection": the belief that the Canadian move represented not merely the practical necessity of a redeployment of limited military resources, but a covert rejection in principle of the NATO concept, and of Canadian involvement with European security.

Some Canadian statements attempting to justify the withdrawal did nothing to disabuse Europeans of this judgment. "We are," Mitchell Sharp explained again and again during his Scandinavian tour last June, "not only an Atlantic country. We are an American country. We are a Pacific country. We are an Arctic country."

Pacific? Arctic? The implication was that Canada needed a large part of its NATO contingent to defend these newly discovered frontiers. Against whom and what?

The Government has also argued that, to carry on with their previous role, Canadian forces in Europe needed expensive new weapons whose cost would mean committing these units to the same specialized role for another 20 years.

On the word of NATO professionals, Canadian and other, this is simply not true. The tanks and planes and guns the Canadian Forces are using now will only begin to be obsolescent about the middle of the 1970s. It can even be argued that by reducing the force prematurely and changing its military function, the Government is wasting a good deal of money already spent.

These various specious explanations, for all the accompanying pious affirmations about "maintaining an effective Canadian presence in Europe", only tended to convince Europeans that their judgment was right in the first place—Canada was losing interest in Europe and wanted out. Consequently, the Canadian position in NATO councils has been very much downgraded.

It is rather ironic that this should be happening just at the time when there are signs of real negotiations beginning with the East over European security, with the likelihood that NATO will have a major role to play in achieving the stable settlement which is Canada's declared objective in its European policy.

It goes on to mention the question of our own internal unity:

Because Europeans (including, to a lesser extent than most, the British) have always regarded the viability of Canadian nationhood and independence with some skepticism, there is a widespread assumption that the whole thing will eventually end in some union of North America.

Canada surely should be trying to maintain every possible connection with Europe, and be looking for new ones.

This, in the view of all the Europeans and Canadian diplomats I have talked to (and I share it) is the real flaw in the new Canadian NATO policy; that we appear to be now beginning to accept what Europeans tend to regard as our preordained future as a northern province of the world's greatest power, retreating into American continentalism.

The fact remains that NATO is the only "European" international institution in which Canada has been taking an active part, Canada's only chair at a European table.

But the impression is of an increasing and general Canadian indifference to Europe, under the Trudeau regime. This indifference is easily reciprocated.

In tomorrow morning's *Globe and Mail* columnist Duffy will be writing on "Science, Technology and Industry"—which is the special prerogative of my colleague on the front bench.

Honourable senators, I did not want to quote as much as I did, and I hope I have not tested your patience. But I should like to examine briefly the propositions that are so widely mooted these days by those who share Senator Lamontagne's views, most of which he himself put forward in his own speech to which I referred earlier.

The first proposition we hear very widely is that the world has changed tremendously since Canada's post-war 1945 foreign policy

was formulated under the leadership of Louis St. Laurent and Lester Pearson, and that these changes call for a transformation in Canadian policies.

Now, I do not think any person would challenge the first part of that statement, but the second part, though plausible, is not quite as self-evident. The changes since the post-war decade include the rifts within the communist realm, the economic recovery of western Europe, the emancipation of and increased turbulence in what is called the third world. We have also become aware rather belatedly of the domestic crisis that threatens Canada's survival as a viable political entity. It would be surprising if these changed facts and perceptions did not render desirable changes in policy. They do, in fact. These changes should take the form of adaptation, of building on strength rather than upheaval. Indeed, the notion that this is the moment for a dramatic new departure in foreign policy not only betrays a shaky grasp of the international facts of life but also has already greatly damaged the effectiveness of our Canadian diplomacy.

Honourable senators, another rationale that we hear very frequently today runs somewhat like this: the Soviet Union, which probably never intended to march to the channel anyway, is now so preoccupied with challenges from within the communist camp that there is no significant risk of war in Europe. Given the secretiveness of the communist political system, it is unlikely we shall ever be able definitively to establish the intentions, aggressive or otherwise, of Stalinist and post-Stalinist Russia. The employment of the Soviet power in East Germany, Hungary and Czechoslovakia, however, leaves little doubt about the Kremlin's disposition to use its military muscle to achieve political goals whenever it can do so with acceptable risk. Nor is there much doubt about the vital role played by the substantial North American presence in Western Europe in overcoming the defeatism, induced by fear of Soviet power, that impeded economic and political recovery after 1945.

The relevant question concerns the future intentions of the Soviet Union. I am not aware of even a single serious analyst who claims that the Kremlin has operational plans for a further march westwards. Most accept at face value its apparent concern about China, and its interest in further arrangements with Washington to reduce the risk of stumbling into an all-out nuclear exchange. Coupled with promising political trends in western Germany, these Soviet concerns raise the genuine possibility of a settlement in Europe that would permit a reduction in military force in the area.

Soviet moderation, however, has less to do with moral scruple than perception of external danger. The situation could change radically and Soviet appetites perk up, if any one of a number of possible developments were to occur. These include: a relatively short, successful assault by Russia on China; a Sino-Soviet accommodation, perhaps after Mao's death; another change in the character of Soviet leadership; a decisive reduction in western preparedness; a return by the U.S. to a "Fortress America" strategy.

A more probable scenario for the third and last world war would start with further turbulence in eastern Europe, especially if it seemed likely to invite West German intervention. While a consensus of informed opinion holds that war in Europe is improbable, a major assumption is that western military power will not be dismantled in advance of a similar cut-back on the Soviet side. And most experts believe that, if we do stumble into nuclear war, the likeliest source of conflict would again be located in central Europe. They also favour a western strategy of "flexible response" even though it is more expensive in manpower involvement. But, today, because of our Candian policy we are coming closer to the massive retaliation concept which had hitherto been discarded.

The NATO governments are all committed to seek disarmament, especially in the heart of Europe. The NATO Council is devoting much effort to the question but, in the light of experience, it now believes that the only viable route to disarmament is one of balanced force reductions. Although there have been western reductions in recent years, Soviet "reciprocation" has taken the form of increasing its military grip over the Warsaw Pact powers and inserting a powerful naval force into the Mediterranean.

I come now to a third proposition we hear frequently, that the west Europeans have now sufficiently recovered to provide their own defence, or at least the conventional portion of it.

This statement, partly true, is often advanced to suggest that the European allies should now spend on defence a much greater proportion of their national income than does Canada. Honourable senators, this involves a

fallacy—the false assumption that we are in Europe to defend Europeans. I think every honourable senator will recognize that we are there for no such purpose. We are there to reduce the possibility of the only war that would be likely to lead to the destruction of Canada. We are also there to augment our influence in global policy-making and to preserve the only set of relationships that afford any solid counterweight to our increasing interdependence with the United States. If we insisted that the Europeans increase their share in the western defence effort, while Canada cuts back, we would be contradicting the principle of collective defence which calls for equitable sharing.

How, in fact, would the west Europeans respond if obliged to become largely responsible for their own defence? Social conditions in Italy and France are such that increases in their military expenditure could be decidedly dangerous. Britain is already spending a disproportionate amount on defence, and its economy is far from sound. The only country that appears to be in a position to take up the slack caused by departing North Americans would be Germany. For obvious historical reasons there already is concern about the growing preponderance of Germany in central European defence. At the present time in Europe one-half of the total NATO forces are German. If the Germans are obliged to become even more predominant than they are now, or, worse still, to acquire an independent capacity to wage war by themselves, the cause of detente could very well be lost. Withdrawal of non-European forces without adequate reciprocation by the Soviet Union can very likely convince the west Europeans that they should reduce their conventional forces and return to a total reliance on massive retaliation by the use of nuclear weapons. This is what we have struggled to get away from in NATO, and we have almost got away from it.

The domestic pressures for reduced military budgets are strong in all NATO countries, and few understand the perils involved in being unable to reply to any Soviet intervention or blackmail except by capitulation or nuclear suicide. It is thus of Canadian interest that the west Europeans should not be left to provide their own defence, rather than the other way round.

We should also recognize that, from the point of view of deterrence, influence or detente, one Canadian soldier in Europe is worth half a dozen Canadian soldiers at home, and the fact is that we could not possibly afford to create the necessary mobility by aircraft to take troops back to Europe. The cost would be completely beyond our economic means.

[Hon. Mr. Lang.]

Finally, honourable senators, I wish to mention another argument, and I suggest a specious argument which we hear all too frequently, namely, that NATO has performed a necessary military function but has failed to become a political instrument, and may even be an impediment in the way of disarmament and detente. NATO has not become, as some Canadians hoped, the central organ of an Atlantic federation with economic, cultural and other functions. It is specifically, no matter what we say, a military organization, but I am not so sure that it should be anything other than a military organization.

I think O.E.C.D. today carries out many of the functions originally envisaged for NATO and is probably doing so better than NATO could do it. Is that a criticism of NATO? I think not, when we consider the other organizations now in existence to carry out the non-military functions originally envisaged for NATO. However, so far as the military functions of NATO are concerned, the consultative processes are working well and have been for years, and the NATO forum provides by far the most substantive and significant deliberation of the major issues affecting global security, issues such as nuclear contingency planning, non-proliferation, control of strategic weapons, disarmament and European security. It is doing that and doing it most effectively.

Then there is the exchange of classified information within NATO which affords its smaller members, including Canada, a tremendous diplomatic bargain—the ability at modest cost to be informed about developments affecting world security and to make their views known in contingency planning and east-west negotiations. This is an invaluable asset to Canada. NATO does not, of course, enable every voice on its councils to carry equal weight. It is obvious that in the world of today, where you have large nations and great powers and smaller nations and lesser powers, that this cannot be the case. But most NATO members, most of the time, fully adhere to their obligations to consult, even in such vital matters as strategic arms limitations. The Harmel Report with its detente concept was not merely an exercise in public relations as many people are inclined to think. NATO today is probably giving

greater attention to disarmament and the possibilities of fruitful negotiation with the Soviet Union than any other body in the world.

Within the NATO Council, Canada is rated as one of the most influential of the lesser powers; in terms of diplomatic effectiveness, its delegation probably ranks right after the big four, the United States, Britain, Germany and, at times, France. Canada's influence has been employed consistently in the interest of moderation in the use of power, and imagination in the art of diplomacy. We have nothing to be ashamed of. No member has contended more vigorously for cautious planning, for disarmament, and for the exploration of every opening for detente with the Soviet Union than has Canada through NATO. Championing a similar approach have been the Scandinavian members, Belgium and, much of the time, Britain. Even if one does not approve of every NATO decision, it is difficult to see how the general situation would be improved by withdrawing or weakening one of the most consistent and effective advocates of moderation on the international scene.

As all honourable senators are aware, NATO has frequently been falsely pictured as a militarily aggressive organization. I think we must recognize, however, that there is a correlation between military contribution and political influence. All members, even those shirking a reasonable share of the burdens, have the same right to speak. The willingness of the others to listen, however, varies with the reputation of the country concerned, and this point of view is particularly relevant when considering the issues about which Canada has been most concerned.

Just to give one example of that, Canada's effectiveness as a champion of "balanced force reductions" as opposed to the massive nuclear retaliation concept has been sadly diminished by our unilateral cuts which, of course, make nonsense out of that policy. It is very difficult to see how our delegation can continue to advocate a strategy of flexible response when our cutback is making it more necessary to rely on massive nuclear retaliation. If we are serious about wanting a detente in Europe—and I think my honourable colleague was serious in his speech—we certainly would not be increasing the military preponderance of Germany in this atmosphere. And, in view of the "take it or leave it" nature of our basic decision to cut back, we shall surely have to ease up on our preaching about adequate consultation before action, or about equitable sharing of burdens with our allies.

Honourable senators, I do not want to take too much of your time tonight. Of course, this is a question with which I have always been deeply concerned. I would like to put before you the arguments you are going to hear more frequently and why they are, in my opinion, so invalid in our present context.

Another one you hear often is that most of the international turbulence and human suffering is now found in Africa, Asia and Latin America, and that our foreign and defence policy should therefore shift in emphasis from Europe to those continents. There is no question that turbulence is very much a characteristic of what we call the third world and that it will be for many years to come. The disparity between our world and the third world is undoubtedly a major scandal of our times. We should be doing a great deal more to help, by increased foreign aid, by technical training and by adjusting our economy to permit the less developed countries to sell more here. But, honourable senators, I submit this activity has little to do with the traditional aims of foreign policy such as national security, independence and domestic prosperity. The super powers, Russia and the United States, have demonstrated repeatedly that they do not intend to allow any conflicts in the third world to draw them into an all-out war. In Europe they would, because there their conflict of interest is so direct that that is where it could happen—not in Africa, not in South America, not in India.

Another suggestion often made, which scandalizes me, is that the hungry two-thirds of the world might march on the wealthy one-third. This is impossible, and I think it is misleading and cynical in the extreme to present the suffering masses of Africa, Asia and Latin America as a serious threat to the physical security of Canada. If we think we can use aid for political purposes in these countries, we should think again. These countries receiving aid from us are at pains to demonstrate they have not been influenced by what we have done. Aid extended to augment our political influence is wasted; in fact, it is actually self-defeating.

These remarks are not to be taken as arguing against any increase in our program of economic aid. In fact, an increase in our economic aid program is a moral imperative and is a dictate of our conscience. However, let us

not kid ourselves that aid, however much more we put into it, can ever be a substitute for a foreign or security policy. They are not alternatives; they are completely separate and distinct considerations; and I think this is where we get to the nub of the differential exposed by this debate. Additionally, let us not delude ourselves that any moneys we might save on cutbacks in military expenditure are automatically going to be spent on foreign aid. I think most of us are sufficiently politically experienced to know that that is not a foregone conclusion.

Next, we come to the proposition we hear continually, that the great threat to our independence comes from the United States, and that our defence activity should be concentrated upon this continent to prevent that dependence. I acknowledge that if we decline to take any share in the defence of our country, the United States is undoubtedly going to be very seriously tempted to violate our territorial rights. I think they would be quite justified in doing so if we took such a position. But by putting all our defence eggs in the North American basket, we would be contributing nothing to the security of Europe—and maybe some people do not want that—although it is still the most likely source of conflict in the world today, a conflict that would escalate into the destruction of Canada. Let us be honest: by doing that we are going to weaken the ties between Canada and Europe, military or otherwise, which the Europeans cherish and which we have earned and should also cherish. It is going to weaken all our other non-military ties with Europe. Our economic, political and cultural ties will be weakened, again resulting in our increasing involvement with and dependence on the friendly giant to the south. For the foreseeable future I can only imagine that our involvement with the west Europeans, including the British and the French, will in fact provide a counterweight to our necessarily intimate relations with the United States. This is not a new concept; it is the old triangle concept; but I think it is as true today as it was when first conceived. If we put too great an emphasis upon continental defence, even if ostensibly to promote our independence from the United States, which would be our public reasoning, it would be counter-productive and would foster the existing tendencies towards continental integration in North America. Canada really needs Europe now more than Europe needs Canada.

[Hon. Mr. Lang.]

Again, in the area of our economic assistance abroad, we can continue to employ our influence with our Atlantic associates to counter the inward-looking tendencies they have and our own inward-looking tendencies. We can, with them, promote a sympathetic and responsible attitude toward the peoples of Africa, Asia and Latin America. We will be far more effective doing that than severing our links with them. Maintaining and strengthening our trans-Atlantic ties and extending our links with other peoples is probably the most constructive foreign policy we can have, and by doing this we shall be building on the strength we now have.

Finally, although we do not hear as much about it now as we have in the past, we do hear the proposition expounded that Canadian unity is in such a state that obviously we have to cut back on our external commitments, whether they be military or in relation to embassies abroad, our External Affairs department, and so on. This disturbs me.

It is my opinion that we have to take some pride in what we are. Since 1945 we have probably been one of the world's most consistent and effective promoters of international harmony and civilized standards of any country in the world. There is no country with a better record within the United Nations and, until April of last year, none had a better record within the Atlantic Alliance. Our steady but constructive diplomacy since the Suez crisis has been greatly appreciated by other countries.

We must not forget that Canada has not hurt herself by trying to be a responsible and constructive member of the international community of the world, although that Canada has hurt herself seems to be the conclusion of those who wish to put us into the continental box. Our total commitment to external activity in defence, diplomacy, and aid, in terms of our G.N.P., is less than that of most other countries of the world—and it is declining. It is not going up. If we are presently suffering from inflationary pressures, this cannot be attributed to an increase in our external activity. If we want to be honest with ourselves we must say it is because we are enjoying one of the world's highest living standards, and have allowed our appetites to run ahead of our productivity.

The United States and Great Britain have over-committed themselves in world activity, and they are suffering because of it. It may be

that they will have to cut back. They are the ones who are suffering, and not us.

Again, it is argued that by cutting down our external aid we will preserve our national unity. That, in my humble opinion is a *non sequitur*. It does not hold water. Our foreign policy and the strength of our foreign service is actually part of the strength of our national Government here in Ottawa. If we reduce that then we reduce our strength federally. Every one will admit, I think, that our foreign service gives us pride that we are Canadians, particularly when we are abroad.

Honourable senators, if Canadians cannot afford a moderately rising commitment to activity in the world community, then I do not know what other nation in the world can. Given our resources, and a relatively fortunate position in a troubled and uncertain world, it is just immoral to urge a reduction in our international role, militarily or otherwise, in the name of "realism" or of "national sovereignty" or what have you. To return to isolationism, whether it be continental or national, I submit, would be to reject the finest of Canadian traditions and to revive a most short-sighted and shabby international life.

RADIATION EMITTING DEVICES BILL

SECOND READING—DEBATE ADJOURNED

Hon. Muriel McQ. Fergusson moved the second reading of Bill S-14, respecting the sale and importation of certain radiation emitting devices.

She said: Honourable senators, Bill S-14 is a bill respecting the sale and importation of certain radiation emitting devices.

The very rapid advance in the technology connected with electro-magnetic radiation, and the application of such technology in the field of medicine as well as in industry, has been accompanied by corresponding hazards to patients in the case of medical X-rays, and to industrial workers and scientists in cases where adequate care has not been taken in the design and construction of equipment.

The Department of National Health and Welfare for some years has had responsibility for the health aspects of the use of radioactive substances. The officers of that division have become increasingly aware of the need for control in the design and sale of devices which do not contain radio-active material, but which do emit electro-magnetic radiation generated by electric circuits and which utilize electro-magnetic radiation for their effectiveness.

This bill is designed to provide essential and primary control, at federal level, over the design and sale of devices used in medicine, science, and industry which, if improperly controlled, have the capacity to emit harmful radiation.

By "radiation", it should be understood, is meant the whole scale of radiation from the low frequency long-wave length infra-red end of the spectrum through the visible portion into ultra violet X-rays and other radiation of a higher frequency short of that emitted from radio-active sources. Honourable senators may know, from reading recent magazine and press articles, that the very rapidly developing laser technology emerges out of uses of the visible portion of the electro-magnetic radiation spectrum.

This bill is designed to exclude control over household articles, which could probably be made the subject of the Hazardous Products Act which was passed in 1967. It is also designed to exclude control over prescribed substances within the meaning of that phrase contained in the Atomic Energy Control Act. Its effect, therefore, is to fill a gap which has heretofore existed, and to apply effective but reasonable control in this area.

Certain of the larger devices, such as some X-ray equipment for either medical or industrial purposes, are leased to users rather than sold and, for this reason, control over the design of such equipment that might be so leased was considered necessary.

The technical definition of the sort of radiation, the emission of which forms the subject of this legislation, is set out in paragraph (g) of the interpretation section. The lower limit of a frequency of 10 megacycles per second is set somewhat below the lowest frequency which experience internationally has shown to have been or to be capable of having an injurious effect upon humans. As I mentioned previously, section 3 contains the precise exclusion needed to distinguish the purview or scope of this legislation from that of the Atomic Energy Control Act and Regulations.

In the production of equipment of the sort contemplated by this legislation, there is a comparatively long manufacturing period and high unit cost. While the volume of production in this field does not compare at all with that which pertains in the motor car industry, because of the value in terms of expended labour and funds in the production of most of

the equipment under consideration, it is considered proper to apply the legislation to future manufacture, which is done by section 4. This will avoid the possibility of instant obsolescence which otherwise might arise on the coming into effect of new standards and regulations, as well as the coming into force of this measure itself.

It is intended to continue the collaboration now proceeding with the industry in order that ample notice of changing standards of design and protection will be given to manufacturers and importers.

Clause 5 is the basic key clause of the whole bill in that it contains the prohibition against the sale or lease of equipment that does not meet the prescribed standards.

The clause which follows prohibits the importation into Canada of substandard radiation emitting equipment.

It is, of course, essential that persons be appointed to inspect equipment proposed to be sold in or imported into Canada, and clause 7 authorizes the Minister of National Health and Welfare to designate persons as inspectors for the purpose of this act.

These persons will, of course, have specialized technical training. It is intended that they will be competent to discuss and work with manufacturers and technical personnel at the manufacturing stages in order to provide guidance to manufacturers in their understanding of and adherence to prescribed standards.

In order that there may be no misunderstanding or embarrassment, all inspectors shall be provided with official identification as inspectors under the Radiation Emitting Devices Act.

Clause 8 provides authority to inspectors to enter places for the purpose of examining equipment located therein, and provides authority to the inspectors to examine packages, documents and papers relating to the equipment and to make copies. It also contains the usual provision requiring persons concerned to assist an inspector in carrying out these duties.

You will notice that this authorizing clause provides no special or unusual authority to inspectors beyond that normally provided to persons with industrial inspection responsibilities. In this legislation it was taken into account that the nature of the activity forming the subject matter of the legislation did not suggest that they should have the use of any special powers for entry into dwelling houses, taking of samples or other unusual processes which are necessary where other commodities are involved.

Clause 9 contains the usual provision prohibiting persons from interfering with inspectors in their work, or molesting or interfering with goods which may have been seized by inspectors in the course of that work.

Authority is given to an inspector under clause 10 to seize equipment in relation to which he believes there has been violation of the legislation. This bill omits any authority for forfeiture under any circumstances of seized commodities. It is perhaps obvious that no useful purpose would be served by a provision which had the effect of transferring title to radiation emitting equipment that might be placed under seizure. The clause does, however, authorize the detention of such equipment for a period during which the manufacturer will have an opportunity to modify it sufficiently that it will no longer be in violation of the legislation, or will not conflict with prescribed standards.

The effect of the clause is that when a seizure occurs, the seizure will not continue beyond 90 days, or the time when the abovementioned modifications are carried out, whichever is the lesser, or such longer period as may be prescribed by regulation. An exception is when within the 90-day period so prescribed, a prosecution is instituted in relation to the equipment. Where this occurs, the seizure continues until the prosecution proceedings are concluded.

Clause 11 provides for the making of regulations. The regulation-making authority in this bill has been confined as much as possible to the basic minimum necessary for the administration of the act and the carrying out of its function. In view of the changes and developments in this branch of physical science occurring continuously, the need for prescribing classes of devices from time to time has been recognized in paragraph (a).

Paragraph (b) of clause 11(1) is related in that it gives authority to the Governor in Council to prescribe standards to apply in the case of the various classes of devices and their components, standards which will be considered essential to the maintenance of safety of persons or patients involved in their use.

In clause 10 provision was made for detention of seized equipment for a period longer than 90 days where it might occur that such longer period was needed to effect the modifi-

[Hon. Mrs. Fergusson.]

cations necessary to bring the equipment up to prescribed standards. Paragraph (c) of clause 11 gives authority to the Governor in Council to prescribe such further period when necessary.

Paragraph (d) provides authority to make regulations relating to the disposition of detained or seized equipment and, in particular, disposition subsequent to forfeiture pursuant to clause 14.

Subsection 2 of clause 11 provides for the publication in the Canada *Gazette* in advance of enactment of every amendment to a regulation made pursuant to paragraphs (a) and (b) of subsection 1, which are the paragraphs dealing with classes of devices and standards applicable to those classes. The clause also provides that reasonable opportunity be given to manufacturers and others to make representations to the minister respecting any such proposed amendment. It is this subsection, among others, upon which reliance is placed for providing to the industry adequate notice of proposed changes in standards.

The penalty clause has been divided into two parts, the first of which relates to offences against clause 5. The second part refers to offences against clauses other than clause 5. This division has been made for the purpose of placing emphasis on the view that the activity described in clause 5, the manufacture and distribution, is regarded as the most serious offence relating to radiation emitting devices and the fact that a violation of clause 5 would in many instances be committed by manufacturers of substantial means and in circumstances where rather severe penalties might be the only effective deterrent. On the other hand, there are other offences which may be committed by persons of less substance, where less severe penalties would be equally effective. In both cases, however, provision has been made for procedure either by way of summary conviction or by way of indictment.

The design of the whole clause, therefore, is considered to be useful in that it gives flexibility to a court which will be in the best position to judge the circumstances and the merits of each case and further flexibility to persons acting as agent of the Crown in instituting prosecution proceedings.

Clause 13 contains somewhat standard provisions in legislation of this kind. Subclause 1 contains the usual provision under which an employer may not escape responsibility for violation of the legislation on the basis that that violation was committed by a person employed by him. The only time he can escape such responsibility is when he can show that the offence was committed without his knowledge and that he was diligent in trying to prevent its commission.

Subclause 1 of clause 14 gives authority to a court to order forfeiture to the Crown of any device in relation to which a person has been convicted of a violation. Such provision is essential to take care of a situation where upon conviction the person found guilty might disclaim responsibility for the equipment that forms the subject matter of the offence, and where forfeiture would then perhaps become the only means of preventing hazard to the public through its subsequent use without modification.

Subclause 2 of clause 14 provides machinery by which persons interested by title or financial interest in equipment that has been forfeited under clause 14 may make representation for the restoration to them of the equipment, or with a view to protecting their interest in it. Rather than repeat in the act the lengthy provisions for this purpose, the procedure set out in section 64A of the Fisheries Act has been invoked, as it has been in some other acts, and made applicable *mutatis mutandis* to equipment forfeited under the Radiation Emitting Devices Act.

I have with me a copy of section 64A of the Fisheries Act, and as the hour is late, rather than reading it into the record I wonder if honourable senators would give me permission to have it printed in the record.

Hon. Senators: Agreed.

The section follows:

"Judge." 64A. (1) In this section,

(*a*) "judge" means

(i) in the Province of Quebec, a judge of the Superior Court for the district in which the vessel, vehicle, article, goods or fish in respect of which an application for an order under this section is made, were seized,

(ii) in the Province of Newfoundland, a judge of the Supreme Court of Newfoundland,

(iii) in the Yukon and Northwest Territories, a judge of the Territorial Court,

(iv) in any province not referred to in subparagraphs (i) to (iii), a judge of the

county or district court for the county or district in which any such vessel, vehicle, article, goods or fish were seized; and

"Court of appeal."

(b) "court of appeal" means, in the province in which an order under this section is made, the court of appeal for that province as defined in paragraph (9) of section (2) of the *Criminal Code*.

Application by person claiming interest.

(2) Where any vessel, vehicle, article, goods or fish are forfeited to Her Majesty under subsection (5) or (6) of section 64, any person (other than a person convicted of the offence that resulted in the forfeiture or a person in whose possession the vessel, vehicle, article, goods or fish were when seized) who claims an interest in the vessel, vehicle, article, goods or fish as owner, mortgagee, lien-holder or holder of any like interest may, within thirty days after such forfeiture, apply by notice in writing to a judge for an order pursuant to subsection (5).

Date of hearing.

(3) The judge to whom an application is made pursuant to subsection (2) shall fix a day not less than thirty days after the date of filing of the application for the hearing thereof.

Notice.

(4) the applicant shall serve a notice of the application and of the hearing upon the Minister at least fifteen days before the day fixed for the hearing.

Order by Judge.

(5) Where, upon the hearing of an application, it is made to appear to the satisfaction of the judge,

(a) in the case of a forfeiture under subsection (5) of section 64, that the applicant is innocent of any complicity in the offence that resulted in the forfeiture and of any collusion in relation to that offence with the person who was convicted of the offence;

(b) in the case of a forfeiture under subsection (6) of section 64, that the applicant is innocent of any complicity in the alleged offence that resulted in the forfeiture and of any collusion in relation to that offence with any person who may have committed the offence; and

(c) that the applicant exercised all reasonable care in respect of the person permitted to obtain the possession of the vessel, vehicle, article, goods or fish to satisfy himself that they were not likely to be used contrary to the provisions of this Act or the regulations, or, in the case of a mortgagee or lien-holder, that he exercised such care with respect to the mortgagor or the lien-giver,

the applicant is entitled to an order declaring that his interest is not affected by such forfeiture and declaring the nature and extent of his interest.

Appeal.

(6) The applicant or the Minister may appeal to the court of appeal from an order made under subsection (5) and the appeal shall be asserted, heard and decided according to the ordinary procedure governing appeals to the court of appeal from orders or judgments of a judge.

Application to Minister.

(7) The Minister shall, upon application made to him by any person who has obtained a final order under this section,

(a) except in the case of any article, goods or fish disposed of pursuant to subsection (3) of section 64 direct that the vessel, vehicle, article, goods or fish to which the interest of the applicant relates be returned to the applicant; or

(b) direct that an amount equal to the value of the interest of the applicant, as declared in the order, be paid to him.

Exception.

(8) This section does not apply to

(*a*) any lobster trap disposed of under subsection (10) of section 64; or

(*b*) any fish that have been returned to the water pursuant to subsection (12) of section 64."

Hon. Mrs. Fergusson: Because of the necessity in instances of this kind to commence administering the act only after the act has been supplemented by the setting of basic standards and other regulations, it is expedient to bring the act into effect only upon proclamation in order that such regulations as are necessary may be enacted with effect as of the same date. This is provided for in clause 11.

If this bill receives second reading tonight, I propose to move that it be referred to the Standing Senate Committee on Health, Welfare and Science for further study.

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, I move the adjournment of the debate.

Hon. Mr. Grosart: Before the motion is put, may I direct a question to the sponsor of the bill.

Hon. Senators: Agreed.

Hon. Mr. Grosart: The sponsor has been good enough to say that she will have the applicable section of the Fisheries Act placed in the record. There is also a reference to another act in clause 5, the Atomic Energy Control Act. In view of the fact that emissions from substances prescribed in the act do not come within the jurisdiction of this bill, I wonder if the honourable senator could tell us what those prescribed substances are under the Atomic Energy Control Act.

Hon. Mrs. Fergusson: Honourable senators, section 2 of the Atomic Energy Control Act, which is chapter 11 of *Revised Statutes of Canada* 1952, describes the prescribed substances in subsection (h), as follows:

"prescribed substances" means uranium, thorium, plutonium, neptunium, deuterium, their respective derivatives and compounds and any other substances that the Board may by regulation designate as being capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

Does that answer the question?

Hon. Mr. Grosart: If all radiation emissions from uranium are excluded, what is covered by this bill?

Hon. Mrs. Fergusson: I think I covered that matter.

Hon. Mr. Grosart: Let me explain my question to the honourable senator. We are faced with a situation where the prescribed substances will come under order in council, so we do not know what the bill is about; we do not know what substances will be prescribed.

Hon. Mrs. Fergusson: I thought that was clearly outlined in the various clauses which I have already explained. However, I might go over some of it again. It is to provide control in the design and sale of devices that do not contain radioactive material but emit electromagnetic radiation generated by electric circuits and that utilize electro-magnetic radiation for their effectiveness.

Hon. Mr. Langlois: That is a good answer.

Hon. Mr. Grosart: That answers the question.

Hon. Mr. Langlois: It was a good question too.

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

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, January 28, 1970

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers.

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE—DEBATE ADJOURNED

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons requesting the Senate to unite with that house in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

Hon. Paul Martin: Honourable senators, I move, with leave of the Senate, and bearing in mind Rule 44(1)(d), the following motion:

> That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of both Houses to examine and report upon proposals, made public, or which are from time to time made public by the Government of Canada, on a number of subjects related to the Constitution of Canada during the course of the comprehensive review of the Constitution of Canada, which review was agreed upon at the Constitutional Conference of the Prime Minister of Canada and the Premiers and Prime Ministers of the Provinces in February, 1968, and alternative proposals on the same subjects;
>
> That the following senators be appointed to act on behalf of the Senate on the Special Joint Committee, namely, the honourable Senators Connolly (Ottawa West), Cook, Flynn, Giguère, Grosart, Lamontagne, Lang, Macdonald (Cape Breton), McDonald, Phillips (Rigaud).
>
> That the committee have power to appoint, from among its members, such subcommittees as it may deem advisable or necessary;
>
> That the committee have power to sit during sittings and adjournments of the Senate;
>
> That the committee have power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee;
>
> That the committee have power to adjourn from place to place within Canada; and
>
> That a message be sent to the House of Commons to inform that House accordingly.

Honourable senators, the Parliament of Canada has had on a number of occasions during its lifetime to study, either conjointly through the two houses or in one of its houses, matters affecting the Constitution of our country. Our Constitution is not a completely written document. Nevertheless, that portion of the Constitution and other additions to it, by way of the law of custom or by special acts, have been considered from time to time by various parliamentary bodies.

I believe the last time the Constitution was considered in a major way was in the constitutional committee set up by Parliament in 1935. Since that time, of course, it has been considered at federal-provincial conferences. There was one major royal commission, the Rowell-Sirois Commission, whose report culminated in the conference of 1941. As early as 1967, the provincial governments served notice on the federal Government of their desire to engage in discussions of a constitutional character. This began with a conference called in Toronto by Premier Robarts, but at which the federal Government was not represented.

Subsequently, in February 1968, the provinces met with the federal Government, in Ottawa, when a decision was made to undertake a global review of the Constitution. At that first conference in 1968 it was agreed to examine the official languages problem, fundamental rights, the distribution of powers, regional disparity, constitutional amendment procedures, and other matters. It is interesting to note the text in French.

[*Translation*]

Among the conclusions of the conference which took place in February 1968, it was decided that the Constitutional Conference and the Committee of Officials would study the following subjects: official languages, fundamental rights, distribution of powers, reform of institutions linked with federalism, among which the Senate and the Supreme Court of Canada, regional disparities, amending pro-

cedure and provisional arrangements, and finally the mechanisms of federal-provincial relations.

[*English*]

At the second conference it was confirmed that there should be a comprehensive review of the Constitution. It was said by some of the participants in that conference that this did not preclude the emergence of an entirely new Constitution. I think, however, we should recognize that constitution-making is normally a long process. It is well that it should be long rather than hasty with dangerous results.

Our Constitution was established one hundred years ago in the form of a British Act of Parliament, which in itself suggests the need for modification, but only after a good deal of consideration by those who are regarded as the fathers of our country. Therefore, we should not hesitate to take the greatest care in whatever steps are taken, in the light of modern conditions, to modify the Constitution of our country.

At this second conference machinery was established to undertake this global review of the Constitution. The machinery was to be made up of the Prime Minister and the premiers of the provinces along with a continuing committee of officials to assist them.

At that conference in 1968 it was agreed, among other things, that French-speaking Canadians outside Quebec should have the same rights as English-speaking Canadians in Quebec. That was an important agreement. It was also agreed that something had to be done about regional disparities. It was recognized that this must be one of the objectives towards which constitutional revision should be directed.

It was agreed at that conference that the national capital should symbolize the two main cultural groups of Canada. I mention these things to anticipate the argument that could be made that the discussions which began in February 1968 have not really yielded consequential results. The fact is that the tentative agreements, and the final agreements on some aspects, do indicate that, slow and painstaking as these discussions have been, they have led already to important positions.

The constitutional conference in June 1969, for instance, agreed on the general principles of access by both federal and provincial governments to the field of taxation. I can safely say that at that conference progress was made on the proposition that Parliament should have the authority to make conditional grants to provinces, subject to a formula to determine the consensus and to provide compensation to those provinces that do not participate in cost-sharing schemes.

At the third conference in December 1969, consideration was given to income security and social services. A number of senators in this chamber today attended that conference and will recall the nature of the discussions. But I suppose that what gives rise to the motion now before us is the recognition that revising a constitution in part or proceeding toward a global revision of it is a matter that should involve not only the government of the nation and the governments of the provinces, but at some point the Parliament of the country and the people of the country; that there should be a dialogue between the Government, Parliament and the people on a matter of such vital concern. It is intended, as can be seen from the provisions of the proposal now before us, that this kind of dialogue can take place.

The committee made up of competent representatives of both houses will give consideration to matters assigned to them. The committee will contact the Canadian public and perhaps committees of provincial legislatures which have been set up. In the Province of Quebec a committee of the National Assembly has been set up to deal with constitutional matters. A corresponding committee has been set up, I believe, by the Legislature of the Province of Ontario.

The task assigned to the committee is indeed a comprehensive one. It will cover, for instance, the proposal as to whether or not there should be entrenched in the Constitution a Bill of Rights covering civil liberties; whether or not there should be a redistribution of powers in the British North America Act, a reallocation of the functions under sections 91 and 92, taking into consideration some of the problems that face the modern world and the problems of the urban community; whether or not changes have to be made in the Constitution to enable the federal Government to deal more directly with matters that now come under the exclusive authority of the provinces or of the municipalities.

These are some of the questions that must be considered by a committee giving study to the revision of the Canadian Constitution: What is to be the position of federal institutions? What is to be the position of provincial institutions, the institutions of Parliament? Is there any validity in the argument that the

provinces should have the right to name certain judges to the Supreme Court of Canada? These are some of the questions that are bound to be covered by the joint parliamentary committee proposed by the Prime Minister. His views were stated the day before yesterday in the debate which took place in the other house, when it was unanimously decided to accept the proposition he put forward.

So I believe that this Senate—with its long record of achievement, its knowledge of the institutions of Parliament and the responsibilities of the various levels of Government, and its awareness of the problems that divide us at the present time, as well as the circumstances that strengthen this nation—has an opportunity to use its experience and to reach judgments with regard to these matters, the subject of discussion and negotiation between the federal Government and the provinces, particularly since 1968.

At the present time I can conceive of no more useful function in which we could be engaged, in the national interest, than participating with the members of the other house in the fullest consideration of the tentative positions taken by the federal Government thus far in recent constitutional discussions, and in giving study to alternative proposals to matters that have not yet been discussed in a federal-provincial conference.

The question of the repatriation of the Constitution has not been the subject matter of discussion between the federal and provincial governments in recent conferences. It has been the subject of discussion over the years by the Canadian Parliament and by royal commissions. It has won the support of certain governments. This is certainly one of the questions we will want to consider. Has the time come when there should be an agreed formula that would enable us, within the precincts of our own legal arrangements, to provide for finality in respect of constitutional matters? How long will we have to rely on a jurisdiction outside this country?

In any event, honourable senators, these are some of the matters that this proposed joint committee will consider. I strongly recommend this motion to all honourable senators.

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

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1971, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), together with copy of Order in Council P.C. 1970-137, dated January 22, 1970, approving same. (English text).

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1969, pursuant to section 12 of the Prairie Farm Rehabilitation Act, chapter 214, R.S.C., 1952.

DIVORCE

PETITION FOR BILL TO ANNUL RESOLUTION—REPORT OF COMMITTEE ADOPTED

Hon. Jacques Flynn: Honourable senators, I present the report of the Standing Senate Committee on Legal and Constitutional Affairs to which was referred the petition of Roberte Bérubé Gingras, of the City of Montreal.

The report was read by the Clerk Assistant as follows:

The Standing Senate Committee on Legal and Constitutional Affairs to which was referred the petition of Roberte Berube Gingras, of the city of Montreal, in the province of Quebec, praying for the passing of an Act to annul Resolution numbered 591, adopted by the Senate on 27th June, 1969, dissolving the marriage between the said Roberte Berube Gingras and Andre Gingras, which petition and a draft bill based thereon were filed with the Clerk of the Parliaments on 25th July, 1969, in accordance with subsection (2) of section 2 of an Act authorizing the Senate of Canada to Dissolve and Annul Marriages, chapter 10 of the statutes of 1963, has in obedience to the order of reference of 25th November, 1969, examined the said petition and now reports as follows:

1. The Committee finds that the petitioner failed to comply with the statutory provisions of section 2 of an Act authorizing the Senate of Canada to Dissolve and Annul Marriages, chapter 10 of the statutes of 1963, in that she did not file a new petition and a draft bill, to the same effect as those originally filed, with the Clerk of the Parliaments within thirty days of the commencement of the present session of Parliament, as required by subsec-

tion (4) of the said section, which subsection reads as follows:

(4) Where a petition or a bill seeking the annulment or modification of a resolution of the Senate dissolving or annulling a marriage has been disposed of by reason of prorogation or dissolution of Parliament, and a new petition and a draft bill to the same effect are not filed with the Clerk of the Parliaments within thirty days of the commencement of the next ensuing session of Parliament, such resolution shall come into force on the expiration of such thirty days. If such petition and draft bill are so filed within such thirty days, the operation of such resolution shall be suspended in accordance with the provisions of subsection (2).

2. The first Session of the 28th Parliament prorogued on October 22, 1969, and the present session, the second session of the 28th Parliament, commenced on October 23, 1969. No new petition and draft bill based thereon were filed by the petitioner with the Clerk of the Parliaments prior to the expiration of thirty days following the commencement of the present session.

3. The Committee accordingly finds that the petition filed with the Clerk of Parliaments on 25 July, 1969, is ineffective and that it should not be proceeded with further.

4. The Committee recommends that an over-payment of the Parliamentary fees in the amount of $60.00 be refunded to the petitioner's Ottawa agent.

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

Hon. Mr. Flynn: With leave, I move adoption of the report now. There may be an explanation by the chairman of the subcommittee which studied the matter, Senator Phillips (Rigaud).

Hon. Lazarus Phillips: Honourable senators, the report which has just been filed by Senator Flynn as Acting Chairman of the Standing Senate Committee on Legal and Constitutional Affairs is self-explanatory. I need only supplement it by the observation that the subcommittee of the standing committee met and I had the honour of being appointed chairman of the subcommittee.

The subcommittee studied the petition and the law related to the subject matter. In this respect we had the advantage and opportunity of consulting the officers of the Senate who are versed in these matters. After very careful consideration of the subject matter, notwithstanding the fact that one is inclined to deal with substance rather than form when petitions are presented to honourable senators, it was felt that as a matter of law there was simply no way, having regard to the provisions of law referred to in the report submitted by the honourable Senator Flynn, which would enable the subcommittee to deal with the subject matter. The law was reviewed by the members of the subcommittee as individual members and as a committee. The officers of the Senate knowledgeable in these matters were consulted and the pertinent sections of the law referred to in the report were dealt with.

After careful and detailed consideration the subcommittee of the Standing Senate Committee on Legal and Constitutional Affairs came to the conclusion that the petition as presented simply was not properly before this house and was not properly before the Standing Senate Committee on Legal and Constitutional Affairs and in the process not properly before the subcommittee. Under the circumstances I had the honour of filing the report of the committee arriving at such legal conclusions. This report is now reflected in the report that Senator Flynn has been good enough to submit to this house as Acting Chairman of the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Choquette: Honourable senators, I wish to ask a question. As a practising solicitor, I am always sorry to see a petitioner or a plaintiff in any type of action deprived of his or her rights because of a technicality or a procedural requirement.

I wonder if in this case the petitioner or those persons who have lost their rights were advised by the officers. Senator Phillips (Rigaud) has just told us that he had the benefit of the advice of the officers working in the Senate. Did these officers warn the petitioner's solicitor, or solicitors, that they would lose their rights if they did not do certain things within a certain time? If there was such a disregard on the part of the solicitor or the client, then I understand that these people would be deprived of their rights. Are you in a position to tell us whether that procedure was followed?

Hon. Mr. Phillips (Rigaud): I am in a position to reply to that question as follows.

I am advised that an officer of the Crown dealing with the subject matter did not warn the petitioner of the necessity of filing a new petition within 30 days after the commencement of the next ensuing session, as referred to in the report. On the other hand, the subcommittee was informed that it is the duty of counsel for petitioners on their own account to be seized of the law in the matter, and that it is not the responsibility of officers of the Senate to advise petitioners and their counsel on these procedural matters.

I may say further, although the question has not been put to me by Senator Choquette, that the subcommittee was advised that although the petition as filed could not be dealt with for the reasons already given, there is nothing in the law that would prevent the petitioner from proceeding to the high court of Parliament if she desires the reconsideration of a new petition.

Report adopted.

LABOUR CONDITIONS

STRIKES BY EMPLOYEES IN THE PUBLIC SERVICE—INQUIRY ANSWERED

Hon. Donald Cameron inquired of the Government, pursuant to notice:

1. How many strikes affecting our national airlines have taken place in the last 2½ years?

2. What are the names of the unions which caused the strikes and what are their affiliations?

3. What was the duration of these strikes?

4. How many employees were involved in these disruptions of air traffic?

5. How many strikes have been called by the postal unions in the last three years?

6. How many employees were involved in these strikes?

7. What was the duration of these strikes?

8. What other unions involved in the public service, either provincially or nationally, have gone on strike in the last three years?

9. What was the duration of each of these strikes and what was the number of employees involved?

10. What departments of Government were involved in these strikes?

11. Who were the Government officers negotiating on behalf of the Government?

12. What qualifications did these men possess for dealing with industrial disputes?

Hon. Paul Martin: Answered.

(The answers follow)

1. There have been two strikes involving Canadian airlines and their employees in the last 2½ years.

2. The union involved in both cases was the International Association of Machinists (AFL-CIO/CLC). One strike involved Quebecair as the employer, and the other, Air Canada.

3. The Quebecair strike lasted from September 19 until September 23, 1968.

The Air Canada strike lasted from April 21 until May 20, 1969.

4. 217 employees were involved in the Quebecair strike.

5. One strike has been called by the postal unions in the last three years. This was the strike involving the Canada Post Office and the Council of Postal Unions (CLC).

6. 24,000 employees were involved in this strike.

7. The strike lasted from July 18 until August 8, 1968.

8. None.

9, 10, 11, 12. Not applicable.

BANKING, TRADE AND COMMERCE

CHANGE IN MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, moved:

That the names of the honourable Senators Everett and Hays be substituted for those of the honourable Senators Aird and Savoie on the list of Senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

MANITOBA CENTENNIAL YEAR

INVITATION TO PARTICIPATE IN FESTIVITIES

Hon. J. Campbell Haig: Honourable senators, I wish to draw to the attention of this honourable house the fact that in the keystone province of our country we are celebrating our centennial year. This program has been instituted for quite some time, and we are now entering into large scale activity.

The City of Ottawa has deemed fit and proper to declare this day as "Manitoba Day" in our nation's capital. As part of the celebrations of this day here in the Centennial Hall the Royal Winnipeg Ballet is presenting a new ballet called "Five over Thirteen". What that means, I do not know. Honourable senators will have to attend the performance and find out what it means.

In about five or six weeks the Dominion Curling Championship, known as the MacDonald Briar, is to be held in Winnipeg. There are many different and varied activities taking place throughout the province during the year, both sporting and cultural.

In our sister city we will have the St. Boniface Winter Festival. Some honourable senators may have noticed at the luncheon today a gentleman in a red jacket and a red toque. He was representing the St. Boniface Winter Festival, which takes place in a couple of weeks.

We will also be privileged to have the Queen, Prince Philip and their children visit our city sometime in early July.

I extend a cordial invitation to honourable senators, their wives and friends to come and visit our province this year to see the growth and vitality of our keystone province.

Hon. Paul Martin: Honourable senators, I am sure all of us want to join in congratulating the people of Manitoba on the occasion of the centenary of that province. In doing so we congratulate ourselves, because we belong to a country composed of ten provinces, of which Manitoba is one of those, that have added to the lustre of our country.

The Government of Canada has sought to assist in the celebrations marking this centennial by a substantial financial contribution to some of the expenditures inevitably involved in these celebrations. This announcement by honourable Senator Haig affords us the opportunity not only to congratulate Manitoba but to say that this centennial event will give us all the further opportunity to appreciate the value of the constituent elements of our country that go to make up this nation—constituent elements in themselves so endowed that they will cause the majority of Canadian citizens to recognize the value of maintaining the unity of this country. I may say I am going to mark the centennial myself by going to the Royal Winnipeg Ballet tonight.

Hon. Mr. Flynn: On the stage?

Hon. Mr. Martin: I hope the honourable leader opposite will be there.

Hon. Jacques Flynn: Honourable senators, there will be another occasion upon which we can speak about this very important event. The only comment I want to make today about Manitoba joining Confederation one hundred years ago is that it was at that time that Canada acquired a new dimension. Hopefully, another occasion will present itself when we can deal more fully with this very important centennial.

RADIATION EMITTING DEVICES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mrs. Fergusson for the second reading of Bill S-14, respecting the sale and importation of certain radiation emitting devices.

Hon. Edgar Fournier: Honourable senators, when I rose to adjourn the debate last night I must admit that I was caught a little by surprise. I was not aware that someone else had been designated to do so, but I did not want the bill to be passed without some further explanation—flying like a kite without a purpose.

I also wanted to compliment very sincerely Senator Fergusson for sponsoring this bill, which is highly technical in nature. I am sure that very few honourable senators have any information or knowledge about radiation emitting devices, except perhaps those in the medical profession.

I will put my questions very briefly. Is there at the moment any need for such a bill as this and, if so, why? Do we have in Canada people who are in the business of selling radiation emitting devices? If so, could we have the names of a few of them and what they are producing? We know that in Canada radiation emitting devices are produced, but all these things come under the Atomic Energy Control Act.

One provision in this bill with which I do not agree is the power vested in the hands of inspectors. I am always reluctant to place too much power into the hands of one man. If I read the bill correctly, these appointed inspectors could very well be what one might call the boys in the grey flannel suits with a lot of authority.

Hon. Mrs. Fergusson: Would the honourable senator repeat that? I did not quite hear his remark.

Hon. Mr. Fournier (Madawaska-Restigouche): I am talking about the power vested in the inspectors. In this case, as in many others, it could very well be that the inspectors will need highly technical knowledge in this field, and they could well be what we call the boys in the grey flannel suits with a lot of power.

Hon. Mr. Choquette: It was the grey flannel suit that the honourable senator missed.

Hon. Mrs. Fergusson: That is what I did not hear.

Hon. Mr. Fournier (Madawaska-Restigouche): Under this bill the inspector will have more power than the Royal Canadian Mounted Police or a city police chief. He will have authority to walk into my place without a warrant, push me out of the door, inspect my equipment and take it out if he feels like it. He can take away all the records, data and information that I have gathered. I think we should be very careful before vesting so much power in the hands of inspectors. I do not have the answer to this, but I hope that those who follow me during the debate will be able to enlighten the house on these matters.

Hon. Allister Grosart: Honourable senators, I am quite sure Senator Fournier need not have apologized for his expressed eagerness to rise and compliment Senator Fergusson on her excellent presentation of this bill. I myself almost got up ahead of him in my eagerness for the same reason. Certainly Senator Fergusson is to be complimented on her excellent exposition of a very difficult bill. Obviously she did her homework, as she always does. For that reason, we can assume two major propositions stated by Senator Fergusson and referred to by Senator Fournier. First, there is a need for this bill. Secondly, it is a bill which has good intentions, namely, the protection of the public.

Hon. Mr. Flynn: All bills have good intentions. We have to presume that.

Hon. Mr. Grosart: As the Leader of the Opposition says, we always need to be a little suspicious of government bills with good intentions because, as I may be able to demonstrate in this case, good intentions often run away with the drafting of the bill. I believe this has happened in this case.

Hon. Mr. Flynn: Agreed.

Hon. Mr. Grosart: Like Senator Fournier, I would be quite prepared to take Senator Fergusson's word as to the need for this bill, but I would like to have some evidence. Reiterating the questions which Senator Fournier raised, has there been abuse? Is there equipment today endangering lives of Canadians? Are there dangerous substances in the hands of various people at this moment? If so, in whose hands? If so, to what uses are they being put? Who is being endangered? Are these substances that are putting them in danger in the hands of children? Are they in the hands of quacks?

[Hon. Mrs. Fergusson.]

Honourable senators, we have the bill before us, but we have no information whatsoever as to the current situation that the honourable senator and the officials and the department regard as justifying the bill. I am not suggesting for one moment that the bill cannot be justified. I am fully aware that its main intention is to close a gap left between the provisions of two bills, the Hazardous Products Bill, which we had before us not very long ago, which deals with hazardous substances and equipment put to household use, and the Atomic Energy Control Act, which deals with hazards arising from such substances as uranium, thorium, plutonium, neptunium, deuterium, and that whole family. There is a gap, no question about that.

Honourable senators, when the Senate is asked to consider a bill such as this, we should be told not merely that there is a gap, but what are the problems in the gap and what we are dealing with. It is true perhaps that Senator Fergusson—if I may use a phrase which will evoke fond memories here—has given the "classes" of substances and equipment which come under this bill—but she has not given us the "kinds". It is not a question of class or kind; it is a question of our wanting to know the class *and* the "kind".

Hon. Mr. Flynn: That brings back fond memories.

Hon. Mr. Grosart: The Leader of the Opposition says this brings back memories.

Hon. Mr. Martin: The Leader of the Opposition has been interrupting your speech quite often today.

Hon. Mr. Flynn: He can stand it.

Hon. Mr. Grosart: I may say, with some regret, that the interruptions from my own leader are never quite as helpful as those I get from the leader on the other side.

Hon. Mr. Martin: We are always willing to help you on this side.

Hon. Mr. Grosart: There is a rather fundamental question of principle here. The bill says, in effect, that the area described in very technical language, this area of "substances which emit electromagnetic radiation generated by electric currents and which utilize electromagnetic radiation for their effect," is the general area in which we are dealing. But it must be obvious that the bill is not aimed at every substance and every piece of equipment in this wide field.

Hon. Mr. Sullivan: Nor is that in the bill.

Hon. Mr. Grosart: Yes, as Senator Sullivan says, that is not in the bill. That is the point I wish to make; that is the principle of which I am speaking. The principle is that this omnibus authority is given—to the officials, in the long run—to prescribe certain of these substances and certain equipment. We do not know what they intend to prescribe. Therefore we do not really know what the substance of this bill is.

It will be replied, of course, that we will have all this information when we see the regulations of the order in council under this bill. That is quite true. When we see those regulations we will know what this bill is about. I submit that until we do, we do not know what we are dealing with, we do not know what this bill is about except in this very large "class". What specific "kinds" of things will be brought under this very strict control we do not know. I respectfully suggest to honourable senators that before we pass this bill we should insist on knowing. How can we know? Perhaps in committee? Perhaps in committee we should tell the officials that we will not pass this bill until they show us the regulations, since it is only when they produce the regulations that we will know what power they are asking us to give. We can assume they are not asking for complete power over every substance and every piece of equipment in this area. They are asking for power over certain specific ones, but they have not told us which ones, what kinds, what groups they fall into.

Senator Fergusson did suggest a broad category when she spoke of "hazards of patients in the case of medical X-rays and to industrial workers and scientists in cases where adequate care has not been taken in the design and construction of equipment."

Is this the only area to which these regulations will apply? Will they go beyond this? Are we to assume that this narrow field described by the sponsor is a total description of the area of the bill, and that it is exclusive of others? Or are the officials in the position of arbitrarily making the decisions as to what actually is prescribed?

Honourable senators, the point I am making is that, if we pass this bill as it stands, we are saying to the officials: "You decide what the substance of this bill is, we will pass it and you tell us some time later what we passed."

This is not the only bill we have had before us in which this principle has been involved. Honourable senators will recall some recent bills such as the Deposit Insurance Corporation Bill, which is now an act. In that case we were asked to pass the bill and leave it to the officials to define the word "deposit". I see the honourable senator, the chairman of the Banking, Trade and Commerce Committee which dealt with it, smiling. I intend to refer to him in a moment. I suggest that this bill in committee be given the same treatment as the chairman of the Standing Senate Committee on Banking, Trade and Commerce, gave the Deposit Insurance Corporation Act. He applied what I call the Hayden formula. In that case he told the Government it would be allowed some time—I have forgotten the period which was finally decided on. Was it a year?

Hon. Mr. Flynn: Two years?

Hon. Mr. Hayden: Either a year or 18 months.

Hon. Mr. Grosart: Anyway, the Hayden formula required the officials to come back within a given period of time to define the word "deposit," otherwise the bill lapsed. The principle is exactly the same here, for this chamber was saying, "We will not give you unlimited power. Come back and define the substance and we will decide whether you can carry on with your duties under the bill."

I suggest that might be a very sound principle for this chamber to adopt in all such bills, because, as Senator Fournier (Madawaska-Restigouche) said, this kind of bill gives extraordinary powers to officials. I am not greatly concerned that they are given the powers to enter, to examine and copy documents, and to seize the equipment in certain cases. I think that is necessary for the implementation of certain acts. However, as a layman I have always wondered why a writ

of entry was not required. It is required in much less important matters. It seems to me a very sensible thing to require the officials to go before a judge or justice of the peace and convince him that they have good cause to be concerned and good reasons to make a sudden entry, as this bill contemplates.

Hon. Mr. Martin: If my honourable friend were to ask that question in committee, perhaps he would find that if this requirement were provided for it would be good notice to the person against whom this bill is designed to act. Undoubtedly, we would all prefer the inspectors to have warrants and rights under the courts to carry out their duties, but I think when you examine the witnesses you will find that there is a very good reason for doing it this way, namely, that they could not possibly discharge their functions, if they had to go to a court every time.

Hon. Mr. Grosart: It is difficult at the moment to reply to this rather unusual interjection by the Leader of the Government. I am not sure whether he was asking a question, teaching me some law or making a speech.

Hon. Mr. Martin: Someone says, "all three," but I had no such intention in mind.

Hon. Mr. Flynn: But you are capable, though.

Hon. Mr. Grosart: I agree that the Leader of the Government is capable of doing all three, and at greater length than in his latest interruption. But that is not the point at all. Of course the officials will come back and tell us why they do not want to go through the business of having a warrant. It seems to me that this would be the kind of observation I would expect to hear from the officials rather than from the Leader of the Government. But this does not go to the heart of my objection. I say that where these great powers are given we have additional reason to examine very carefully the powers we grant under this bill and the kinds of equipment and substances to come under it after we pass this omnibus bill.

I referred to the Hazardous Products Bill which went so far as to give the minister the power of repealing the bill, because there were two schedules and he was given the power to transfer products from one to the other and to delete products from one schedule or the other so that he could have deleted everything from both schedules and the act would have been repealed. That is still on the statute books. Some of us were not able to convince the chamber that we should not pass a bill of that kind.

Now, the Hazardous Products Bill is quite analogous to this one in that it deals with the same kinds of hazard, albeit in another area—the household area. But even the Hazardous Products Bill had schedules which at least gave us a clue to the kinds of hazardous products with which it was intended to deal. We have no such clue in this bill.

I would say in conclusion, honourable senators, that in committee I hope we require the officials at least to describe the regulations they intend to put into effect, if we give them this authority. I should like to see it become a principle in this chamber that in this kind of bill we will not grant this wide authority at any time unless we see the regulations. Surely it makes sense for a legislative chamber to say it wants to see the results of what it is being asked to do.

Hon. Joseph A. Sullivan: Honourable senators, I do not intend to make a speech. I am just going to make a few comments. I should like to congratulate the sponsor of the bill and tell her I agree with her completely. I disagree with the remarks of my two colleagues, Senator Grosart and Senator Fournier (Madawaska-Restigouche). It is a truly worthwhile piece of legislation which I think should have been introduced long ago.

I wish to ask one question before I make my few remarks. Has this bill anything to do with colour television? Whether it has or has not, it should. About a year and a half ago Senator Louis Gélinas spoke to me when the matter of colour television had been completely investigated in the United States. The results of that investigation are now fully known, and my advice to all senators who own colour television sets is that they should not sit closer than ten feet and they should wear rubber aprons.

Senator Fergusson mentioned the laser light. That is a most technical piece of equipment. We would never need to worry about any inferior quality of laser coming into this country. It is too precisely and accurately made. It is made to be used under microscopic instrumentation and is always experimentally utilized on animals before being applied to humans.

Now, a parallel can be drawn between this bill and the drug bill in terms of importation

of goods of inferior quality. When I spoke on the drug bill I mentioned the inferior quality of drugs that might come into this country under foreign labels at cheaper prices. Such drugs could be put out by companies in Czechoslovakia, Hungary, Poland and Italy at lower prices but of inferior quality. The same principle applies to this legislation. What it is striving to do is protect the consumer from an inferior quality of infra-red lamp machine used by physiotherapists and from inferior quality X-ray machines that are loaned out to institutions. Such machines may be of second degree and may have been utilized and then not properly checked.

I am not in a position to comment on the legal aspects of the bill, and the power of control and so on, but I do think it is a worthwhile measure. I trust that when it goes to committee the very important questions that Senator Grosart raised will be answered. Thank you.

Hon. Muriel McQ. Fergusson: Honourable senators,—

The Hon. the Speaker: Honourable senators, I must inform you that if the honourable Senator Fergusson speaks now it will have the effect of closing the debate.

Hon. Mrs. Fergusson: Honourable senators, perhaps, owing to the late hour last evening, I did not elaborate as much as I might have on the devices expected to be covered by this legislation. These devices are X-ray machines, microwave ovens and similar appliances, and laser equipment. It is not thought, I am sure, that anyone deliberately manufactures these in a way that they will be harmful.

However, it has been found by surveys in Washington, and I am sure in other places, that much of this type of equipment is not sufficiently safe. It does not adequately ensure that radiation does not leak from it and is therefore dangerous to the patient who might be getting more radiation than he should and to the operator who should be getting none at all. I am sure more information on this aspect of the situation will be made available by officials of the department at the time they appear before the committee when the bill is receiving further study there. There are many dangers associated with this emission of radiation when it is not adequately controlled. The marked increase in the incidence of leukemia and cancer might be traced to this, and I understand it can result in undesirable genetic changes. For example, with X-ray machines, problems arise over the size of the area to be X-rayed. If a chest X-ray is being taken, it is possible that uncontrolled radiation could do damage to other parts of the body. But at the present time there is no control to ensure that in such chest X-rays there is adequate protection for other parts of the body. I must acknowledge that I am now dealing with a subject of which I know very little, and I only hope that I am reporting accurately the information that has been given to me. Briefly, the purpose of the bill is to ensure that machinery of this kind is not imported into or sold in Canada.

Recently legislation has been passed in the United States—it was called the Electronics Bill, I believe—to ensure that adequate controls would exist in that country. That legislation was introduced there shortly after these surveys in Washington of which I have just spoken. However, that legislation will control only devices to be used in the United States. If it were found that such machinery was emitting dangerous radiation it could not be used there. However, there is nothing to prevent its being exported to Canada and this could readily happen if we do not have adequate controls to prevent its use here. People who are familiar with these matters feel that this is a situation which should be remedied.

Mention has been made of the Atomic Energy Control Board, but the legislation proposed does not cover articles coming under the control of that board. Furthermore, I am given to understand that the Atomic Energy Control Board supports the concept of the proposed legislation for the reasons I have given.

If I may, honourable senators, I should now like to deal with some of the specific questions that were asked concerning this legislation. Senator Fournier (Madawaska-Restigouche) asked if we have need of such a bill. I believe that in the interests of public health such a bill is absolutely necessary. As we all know, excessive radiation can cause or aggravate illness. Senator Fournier asked if we have sellers in Canada. I believe we have but I cannot say so with certainty. Here again the departmental officials appearing before the committee will be able to give us some information. A further question was asked about the "men in the grey flannel suits". I do not feel there is any need for worry on this score because I understand the same inspectors will be used as are now being used by the Atomic Energy

Control Board. I should also mention that at the present time the Department of National Health and Welfare has a radio protection division with a staff of five investigators who are very highly trained in this field. While they are attached to this particular department, they investigate for the Atomic Energy Control Board and will also carry out whatever duties are necessary under the Radiation Emitting Devices Bill when it becomes law. As I have said, they are highly-trained people. I remember in the course of the debate on the Hazardous Products Act questions were asked as to whether that act would necessitate the setting up of a new department of inspectors. I was assured at that time that the system we now have would be capable of taking care of any extra investigation duties arising because of this legislation. I am told that we have now five fully-trained people, and that it may be necessary to add just one more to that number. I should mention that there is no plan to do this at the present time.

I think what I said concerning the Washington survey answers the question asked by Senator Grosart concerning the leakage that can take place and the harm that can be done. In his further question regarding regulations, perhaps Senator Grosart has a point. However, I would point out that in the past we have passed acts, and then regulations have been made under those acts. If there is to be a change in policy at this stage, it certainly is a matter for consideration; it is not something that is being done under this bill; it is following what has been customary in the past.

Honourable senators, I think I have answered, or at least attempted to answer, all the questions that have been asked. However, if there are some I have neglected, I am sure the officials of the department concerned will answer them adequately in committee when the bill is sent there for further study.

I thank Senator Grosart and Senator Fournier (Madawaska-Restigouche) for their interest, and especially Senator Sullivan for supporting me. If this bill receives second reading I shall move that it be referred to the Standing Senate Committee on Health, Welfare and Science for further study.

Motion agreed to and bill read a second time.

REFERRED TO COMMITTEE

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

[Hon. Mrs. Fergusson.]

On motion of Hon. Mrs. Fergusson, bill referred to the Standing Senate Committee on Health, Welfare and Science.

INTER-PARLIAMENTARY UNION

FIFTY-SEVENTH ANNUAL CONFERENCE HELD AT NEW DELHI, INDIA

The Senate resumed from Wednesday, November 26, 1969, the adjourned debate on the inquiry of Honourable Mr. Carter, calling the attention of the Senate to the Fifty-seventh Annual Conference of the Inter-Parliamentary Union held at New Delhi, India, 30th October to 7th November, 1969, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada.

[*Translation*]

Hon. Leopold Langlois: Honourable Senators, I am aware of the fact that I participate in this debate after my two colleagues, Senators Carter and Fournier (Madawaska-Restigouche) who dealt with the matter thoroughly, leaving me unintentionally with very little to say in the debate.

I would be remiss in my own view if I did not mention, as I begin my remarks, the sad note which was unexpectedly attached to our trip, even before we had left Ottawa. Actually, we had just arrived at Uplands Airport a few minutes before boarding the plane, when we were informed by the authorities of the Department of National Defence that the military aircraft which was to have taken us straight from Ottawa to London would make a detour to Halifax in order to take aboard the next-of-kin of the victims of the explosion which had taken place the day before on board the Canadian destroyer, H.M.C.S. *Kootenay,* off the English coast. Our aircraft therefore made a stop at the naval air base at Sheerwater and there, at the request of General Gilles Turcot, Commander of the Canadian Mobile Force who was taking the same airplane to go to Cyprus on an inspection, I was called upon to extend jointly with him to the bereaved families the sympathy of the Canadian Parliament and the Department of National Defence.

Although this change in our schedule upset our plans somewhat, we were glad to concur in this wise decision of the department to take advantage of this flight to allow relatives of the victims to go to London and from there to Portsmouth, either to attend the funeral of the deceased or to bring comfort to the injured hospitalized in England.

I can assure you that it was a very pathetic aspect of our trip when we arrived at Sheerwater to meet these families in mourning, offer them our condolences and witness rather sad scenes aboard the aircraft during the flight from Sheerwater to London.

After the first leg of our trip, we took a commercial flight from London to New Delhi.

I would be remiss if, at the bginning of my remarks, I failed to mention the warm hospitality extended to us by officials of the Indian government and Indian delegates at the Inter-Parliamentary Conference. Our Indian friends really went all out to make our stay as comfortable and enjoyable as possible.

The conference opened at 1 o'clock, October 30, in the Lok Sabha, the hall where the National Assembly of India holds its sittings. The opening session was preceded by a procession of dignitaries in full regalia, in keeping with the age-old traditions of this country which is thousands of years old. In this pomp, this display, this procession, I think I noticed something of the British traditions. India seems to have kept the traditions under which she lived for three centuries, the British traditions. I recalled or was told during a tour of India—I think it was an Indian dignitary who had said to an English representative—that there was only one British country left in the world and that was India. He was referring to the British traditions which India has maintained to this day.

I was that much more impressed by the pageant-like arrival of the dignitaries at the National Assembly because the week before I had had the honour and pleasure to attend the opening of the British Parliament in London. It had been difficult for Her Majesty's retinue to get to the parliament buildings in London that morning as very heavy traffic was slowing down the procession, since the opening of Parliament coincided with the tube strike which had resulted in heavier surface traffic than usual. While in India I was able, thanks to this prior event, to recall the display that generally accompanies such functions in England, as the following week I could watch in New Delhi the very same spectacle I had witnessed in London.

Once the dignitaries had entered the Lok Sabha debating chamber as silver trumpets blared out, there were opening speeches. The President of India, His Excellence Shri V Giri spoke first; with him were Mrs. Gandhi, the Prime Minister, Dr. G. S. Dhillon, Speaker of the Lok Sabha, and Mr. André Chandernagor, the president of the Interparliamentary Union. The dignitaries welcomed us and expressed their best wishes for the success of our conference.

The conference proper opened in the afternoon of the same day, at 2.30, in the Vigeyan Bhavan Building—or the House of the People—where approximately 500 delegates to the conference met to listen to Mrs. Gandhi who was to welcome us to her country and then speak about international problems and those of her own country.

Following Mrs. Gandhi's speech, the General Assembly launched a discussion on the report of the Secretary General of the Inter-Parliamentary Union. This report of the Secretary General is no more nor less the equivalent of our Speech from the Throne. It is a review of the world situation, a personal review prepared by the Secretary General, in the performance of the duties of the Inter-Parliamentary Union Council, stating his views on the international situation as he sees it.

The first speeches dealt with the report of the Secretary General. Then, the conference was divided into commissions; the first was on Political Matters, Disarmament and International Security, followed by the Parliamentary and Judicial Commission, the Economic and Social Commission, the Educational, Scientific and Cultural Commission and, finally, the Commission on Non-Autonomous Territories and Ethnic Questions.

The Secretary-General wished, first of all, to point out that the conference was being held in New Delhi to celebrate the 100th birthday of Mahatma Gandhi, and a resolution to that effect was adopted. It reads as follows:

> The 57th Inter-Parliamentary Conference, meeting in New Delhi in the year of Mahatma Gandhi's centenary, renders respectful homage to the memory of Mahatma Gandhi, an apostle of peace, who believed in the equality and fraternity of all men, who had faith in truth and non-violence as means of solving national and international conflicts, who awakened the national conscience of his people and obtained the independence of his country through the application of the principles he believed in.

Later on, the chairman of the conference, Dr. G. S. Dhillon, submitted, jointly with the

Secretary General, Mr. André de Blonay, a report to the President of the Council of the Inter-Parliamentary Union, dated from Geneva, Dec. 6, 1969, in which he said:

Mr. President:

In accordance with section 8 of the Inter-Parliamentary Rules and Regulations, we have the honour to bring to your attention the resolutions passed by the 57th Inter-Parliamentary Conference, held at New Delhi from October 30 to November 7, 1969, as well as the results of the elections and nominations held at the same time.

We take this opportunity to remind you of section 5 of the Statutes of the Union, which reads as follows: "A national group has the duty to refer to its parliament, through its executive committee or any individual member, the decisions of Conferences involving parliamentary and governmental action and to inform the Inter-Parliamentary Bureau of the result of the steps taken in this connection, not later than one month before the next Conference."

You are requested to advise your group of these resolutions so that it may take the action required for their implementation.

Yours faithfully,

This report is signed by G. S. Dhillon, Chairman of the Conference and André de Blonay, Secretary General.

Those resolutions had been introduced as draft resolutions by the Union Executive Council and were submitted to the various work groups by rapporteurs who thus launched the debate on the different resolutions.

Here, I should stop to point out the excellent work done by the members of the Canadian delegation in those study committees; they took part in the discussions on the various resolutions. Among other things, I wish to point out the job done by our good friend Senator Fournier (Madawaska-Restigouche), who as a member of these committees was not only useful but brilliant, and of great help to the other delegates.

I fully support the suggestion made by the President and the Secretary General in their joint report to the Chairman of the Inter-Parliamentary Union they propose that the national groups inform their respective parliaments of the decisions made at the conference, and in that respect, I am sure, honourable senators, that you will not object if I summarize the decisions which were thus considered and amended by the study groups at the conference held at New Delhi, and then passed as amended by the plenary session of the conference.

The first resolution deals with the role, responsibilities and means of small countries for peace-keeping purposes throughout the world and it reads as follows:

invites every national group

(a) to urge strongly their respective Governments and Parliaments to endorse the above-mentioned principles;

(b) to make suggestions as to practical means by which the Union could give its full support to the United Nations and their agencies, particularly in their efforts made to ensure peace and democratic relations between nations and states;

(c) to promote in their activities the development of regional collaboration in order to achieve a detente and a peaceful co-operation;

(d) to support—within the framework of the twenty-fifth anniversary of the United Nations—with their respective governments, any initiative designed to hasten the solution to world problems, and in this context, recommend that delegations to the twenty-fifth General Assembly be at the level of the Chiefs of State or Governments.

This one is a very important proposition which contains a first-rate suggestion to governments which sent delegates to the New Delhi Conference.

The third resolution pertains to social progress as a factor and a condition to economic expansion. The conclusions are as follows:

1. urges strongly world Parliaments to continue their efforts in legislative and other areas, fully aware of their basic responsibility to promote peace in the world and to ensure the respect of the rule of law, and of man's fundamental rights and freedoms as well, under conditions of freedom, dignity, economic security and equal opportunity;

2. recommends to all Parliaments to emphasize, among others, the importance of the following objectives and social policies;

a) the right for all men and women to enjoy decent standards of living, with equal salary for equal work;

b) the distribution of the resources of the community according to the best interests of the community and the promotion of social justice;

c) the harmonizing of economic development and social objectives;

d) the full participation of youth in national development;

e) the use of science and technology to achieve social improvement;

f) the elaboration of demographic programs capable of directly bringing about an increase in the standards of living and of improving the welfare of the community;

g) the implementation of the purposes and objectives of the Universal Declaration of Human Rights;

3. asks all economically developed states to help accelerate the economic development in the developing countries by carrying out the decisions made by the second United Nations' conference on trade and development;

4. urges all Parliaments, in honour of ILO's 50th anniversary, to give their support to the latter's efforts to promote social advancement, especially by providing for the application of the standards established by ILO, by supporting the latter's efforts to cope with the needs of the developing countries as regards the rapid updating of their national economy, the development of human resources, social institutions and the improvement of living and working conditions.

Another resolution concerned the prospect of agreements for the control of armaments and dealt, in particular, with measures aiming at prohibiting the production and use of chemical and bacteriological (biological) weapons and its conclusions were partly as follows:

1. notes with satisfaction of the report of the Secretary General of the United Nations on chemical and bacteriological (biological) weapons and on the effects of their possible use and *congratulates* the Secretary General and the experts who helped him in this task;

2. urges all States to adhere strictly to the principles and objectives of the Geneva Agreement of June 17, 1925 in all conflicts and states of belligerency;

3. asks national groups to exercise, through their Parliaments, their influence on their governments, so that they review urgently the matter of prohibiting the manufacture of chemical and bacteriological weapons and that of reaching an agreement which would make possible effective international control;

4. invites all Parliaments to pass legislation and other measures so as to ensure the overall and efficient prohibition of chemical and bacteriological (biological) weapons.

Another resolution, in the same line, dealt with measures to prohibit the production and use of nuclear and thermo-nuclear arms. The conclusions read, in part, as follows:

1. asks national groups to exercise, through their Parliaments, their influence on their governments, so that they

(a) review urgently the matter of prohibiting the use of nuclear weapons and that of entering into an appropriate international agreement;

(b) sign and ratify the nuclear weapon non-proliferation treaty, if it has not yet been done;

(c) become part without delay to a treaty prohibiting the storage under the sea and underground of nuclear arms and other types of massive extermination weapons.

2. urgently requests national groups in countries in possession of nuclear arms to encourage negotiations between their respective governments in order to eliminate and stop production of nuclear weapons as an important measure toward general and complete disarmament

3. notes with satisfaction the decision by the governments of the United States and the Soviet Union to begin negotiations on the limitation of strategic arms, in the hope that these will lead to the adoption of appropriate and effective measures to halt the nuclear arms race.

Another of the resolutions dealt with the role of Parliaments in the protection of human environment and the preservation of natural resources for future generations, and ended as follows:

1. Calls upon all Parliaments to urge their respective governments:

a) to ensure preservation of national resources, i.e., not only preservation of

nature, but also the rational use of natural resources;

b) to emphasize development and use of resources in view of supplying the greatest number of people with a maximum of welfare over the longest possible period;

c) to give highest priority to their efforts to inspire and state policies as well as introduce the required modern pieces of legislation, and to control their implementation;

(d) to set up the necessary governmental institutions and agencies to enhance, co-ordinate and update the national policies and programs relating to conservation, by emphasizing the importance of educating the public, and of recruiting and training experts;

(e) to ascertain that these policies and programs will be supplied with the human, financial and physical means required for their implementation.

2. Expresses the hope that developed countries, on the basis of their experience, might share their scientific and practical knowledge in this field with emerging countries, develop their know-how and their techniques and co-operate in joint programs designed to develop, restore and enrich natural resources.

3. Declares that it is in favour of convening, in 1972, a United Nations Conference on the human environment;

4. Declares that the Interparliamentary Union will participate in the preparation of the Conference by communicating to the Secretary General of the United Nations what information, opinions and proposals have been presented on the subject at the meetings of the Interparliamentary Union as well as in any other possible way.

5. Urges strongly all Parliaments to produce any information likely to be of use in the preparation of the Conference, including legislative or regulatory measures taken by them in the field of conservation and protection of the human environment.

6. Requests the Union Commission on Education, Science and Culture, to follow closely the evolution of ideas and events related to the human environment and natural resources, before and after the conference mentioned above, and to report on same as it deems advisable.

[Hon. Mr. Langlois.]

I insisted on reading part of some of the resolutions because I wanted to stress their importance and endorse the specific request made by the New Delhi Conference and by the Secretary General of Inter-Parliamentary Union to all national groups, that they submit the subject-matter of the resolutions to their respective Parliaments and urge their colleagues to study them. I take this opportunity, while emphasizing the importance of those resolutions, to suggest that later on, at a sitting of the Senate or one of its committees, the Senate Committee on External Affairs for instance, those resolutions be considered and, if it so decides, that a report be made to the Government with the request that it accept their implementation. I think that by doing this, the national groups not only would render a worthwhile service to the Conference and to the Secretary General of the Inter-Parliamentary Union, but they would at the same time render a great service to mankind, because, as we have found, those resolutions are universal in scope, since they deal with problems now affecting the whole world. I should like to point out, particularly to my colleagues, the last resolution which I have just read, that is, the recommendation concerning the protection of the human environment and the conservation of natural resources for future generations. It is a problem of great concern, not only to Canada, but also to all other countries. As for the conservation of the human environment, Canada must not forget that it is also facing a very serious problem of advanced pollution. True, Canada has 9 per cent of the total flow of the world's waters and only 1 per cent of the world's total population. In spite of this enormous advantage as far as water resources are concerned, we must realize, with dismay in some cases, that we have a very serious pollution problem. Our largest bodies of water and, closer to our district, the St. Lawrence River may be the most polluted waterways in the world at the present time. It is therefore urgent that continuing measures be taken to correct this if we do not want to destroy, through lack of action, the environment in which we live; and if we endeavour to solve our pollution problems, it will enable us to acquire new techniques to fight pollution, techniques that we may be able to pass on to other countries, in order that they may benefit from our experience in this field.

All these resolutions were passed—as I said a moment ago—in their amended form, by the various commissions at the conference.

As I say, they were passed during a general assembly of the Conference. Again, I want to emphasize the work done by the members of the Canadian delegation, and to give you an idea of your delegates' work-load at this conference, let me say, first of all, that every day the conference met in general assembly from 10 a.m. to 1 p.m. and from 3 p.m. to 5 or 6 p.m., and the commissions also sat during the same hours. These meetings were always preceded by a briefing for your delegation which began around eight o'clock in the morning and was usually held in the room of the leader of our delegation, Mr. Grant Deachman, M.P. for Vancouver-Quadra. Furthermore at lunch time, from one to three in the afternoon, there were other briefings. In addition to those briefings on the spot, we attended, before leaving Ottawa and over a period of several days, many briefing sessions at which officials of the Department of External Affairs talked about the history and the living conditions of the countries to be visited, namely India and Ceylon.

They had given us some very interesting information about the behaviour of those people, their system of government and their way of living. Without such briefings, both in Ottawa before our departure and on the spot in India, we would not have been able to do the work we did during this conference, and we are very grateful to all those who went out of their way to give us those instructions which were very helpful.

In this respect, I would be remiss if I failed to mention in particular the work done by His Excellency the Ambassador, High Commissioner of Canada to India, Mr. James George, who personally attended those briefings, along with his officials, in order to inform us on India and its national problems, including immigration, politcal and economic problems. I would remind my honourable colleagues that our visit to India took place at the time of a rather serious political problem, when the Indian Prime Minister was thrown out of her party by the syndicate in control of this party in India, which resulted in an acute political tension the effects of which we could feel every day during our brief stay there.

We also had the privilege of securing information from Canadians doing social work in India; among others, I would point out Dr. W. P. Hopper of Toronto, head of the Rockefeller Foundation in India. If I remember well, he has been in India for 14 or 15 years. He has become a very valued adviser of the government and of the World Bank. It seems to me nobody is more familiar than Dr. Hopper with the economic situation of the country. He told us about his experience over there. He explained to us his very interesting work and he also mentioned possible solutions to the problems of that country.

During our stay, we also had the privilege of meeting a man whom several of my honourable colleagues know probably very well, Mr. George Jackson, former Deputy Minister of Public Works, who is now retired and in charge of CUSO there. He retired only a few years ago and he is performing very interesting work in India. He gave us very valuable information on that country.

All this goes to show how well our delegation was prepared, after such briefings to grasp the situation in India, to better appreciate the part played by the representatives of India at the conference, while giving us a deeper understanding of that highly complex country.

A moment ago, I referred to the excellent co-operation of our ambassador, Mr. James George. I must also emphasize a fact which amazed me and which pleased me very much: the perfect bilingualism of our representatives, of our Embassy staff in India; all our agents there are thoroughly versed in our two official languages and, therefore, can speak in French when they meet French-speaking people. Both in our meetings with the embassy staff and at the receptions to which we were invited by His Excellency, we heard very favourable comments from the delegations of other countries who were also invited and who were impressed with the bilingual fluency of our embassy staff. I was told by many representatives of other countries that we were lucky that our officials and our representatives were able to speak both languages. This was very important, and I think I am right in saying that, at the conference, both languages were used and that many delegates preferred to speak French both at the Plenary Assembly and within the Commissions. That is why we met more delegates speaking French than delegates speaking English as a second language, and they were very happy to meet at our Canadian embassy with such bilingualism, which allowed them to use their second language in which they were more fluent.

I must also point out the grace shown by Mrs. George, who was a most charming and

pleasant hostess at receptions at the Canadian embassy in New Delhi.

The previous speakers, and Senator Fournier (Madawaska-Restigouche) in particular, have told us about what caught their attention most during their stay in India. First, they were unanimous in pointing out the utter poverty in that country. It is heart-rending really to witness such widespread and intolerable poverty. I must say that whenever I read in newspapers moving reports on the problem of hunger, as a result of war, in Biafra for instance, where the hostilities have just ended, or in Vietnam, I wonder how it is that our newspapers are so intensely interested in a momentary problem, due to a temporary conflict as the one in Biafra or in Vietnam—but that they forget entirely the poverty, the daily starvation in countries that are not at war, in countries such as India, in countries of the African or Indian sub-continent. Is it because the problem in this case is a permament one? Is the poverty of a country at war the only thing which matters and which must be publicized in newspapers, because it is only a temporary situation, whereas permanent hunger does not make the headlines and people forget extreme poverty as it exists in India? Another aspect which struck me—and previous speakers also noted this—is the apparent inability to find worthwhile solutions to the serious problem affecting this vast country.

I realize that Canada provided extensive assistance to India through her foreign aid program since the inception of the Colombo Plan, but it seems that it is not enough and does not offer a permanent solution to the major problem of India, the problem which I would define as the dryness of a land lacking water and seared by a burning sun. It would seem to me that the major problem in India is related to irrigation which would render the land fertile again if it ever was.

As you know, in northern India, there is a natural, inexhaustible supply of water coming down the Himalayas. The eternal snows that lie there could be melted and there may be a true solution to the aridity of the land; thanks to that precious resource, the land could be made productive and capable of feeding the hungry people of India. It came back to my memory—I knew it before I left, but I was able to verify it on the site—that Canada has endorsed programs for the building of thermonuclear plants, generating electric power, whereas that water from the Himalayas could be converted into electric power and is left unused.

I also wonder—and I am not blaming the Canadian Government in the implementation of its foreign aid program—and my remark could apply just as well to the government of India—I wonder whether there is not a tendency to give those new countries what I should call prestige-projects, instead of seeking real solutions to their problems.

I was quite shocked a few days ago to see in the papers that India was considering the possibility of developing an atomic bomb.

That country is starving; nevertheless it will adopt a project involving prestige only, which will probably entail expenses of hundreds of millions of dollars, to get the satisfaction of saying that India has got the atomic bomb and belongs to the famous world club of atomic powers. I wonder whether we are not taking the wrong direction. In fact, I had discussions with the Canadian representatives. They are well aware of the situation in India for having lived many years in that country. Therefore, I have come to the conclusion that what we have done up to now seems inadequate and will not solve the problems of India.

My colleagues and I, while proceeding through the rural areas of India saw some villages where poverty was so acute that I cannot find words to describe it. I believe that Senator Fournier succeeded in giving a realist description of the situation when he said that we did not even dare to get out of our cars for fear of seeing children get into it and tear down the inside in order to find something to eat. This is no exaggeration; I can still see those little fellows with a wild and piercing look. We felt sorry for them while wondering about their next move. I wonder whether we have not decided, once and for all, that the problem of India is beyond solution in this modern world of high technology in every field.

How is it that in industrialized countries like Canada and the United States we are not able to solve a simple problem of land irrigation, while a water spring is available north of that plateau ready to run towards the south-west. I hope that I am right in figuring the cardinal points, that this spring is ready to flow towards the southwest by the law of natural gravity to irrigate these barren lands that need it so much.

I am also wondering if some people have not come to the conclusion that we will have

to rely on the possibility of local famines such as those that used to occur every five years, to prevent mass destruction through a generalized famine. Moreover, we should not forget that in India there is the problem of population explosion. Today, India's population is 527 million, or thereabouts, and it is increasing yearly in numbers equivalent to the whole population of Canada. Taking into account the mortality rate, it is estimated with certainty that in year 2000, that is, in thirty years from now, India's population will have overshot the billion mark. If it is impossible today to feed half that number, can you imagine how critical things will have become in thirty years time! Rather than a five-year plan we should start straight away a long-term program covering thirty to fifty years in order to help those starving people for whom the future holds no hope.

Now—and I apologize for this diversion—considering the most urgent problem I noticed there, I do not pretend to be an expert in matters pertaining to India, but I have spoken quite genuinely and described what I believe to be the situation, and I come back now to the Interparliamentary Conference in New Delhi.

I presume that some of you have a question in mind: of what value can be a conference of this type? Is it worthwhile for Canada to send delegates to such a conference as that of the Inter-Parliamentary Unions?

First, I must say in all sincerity and without any ulterior motive that at the human level such a meeting and such an exchange of ideas with delegates from most countries of the world, in an informal manner but representing various classes of society from the countries represented, have been very enlightening. I must point out that 500 delegates from almost all the countries of the world gathered in New Delhi—these people were not there to offer hackneyed suggestions or views dictated to them by their respective governments but they represented various elements of their country since they belong to various political groups in their parliaments. I think, as I said, that such an exchange of ideas and those meetings are tremendously valuable and enlightening and that they made it possible for your delegates to appreciate better the problems under consideration and which the world must face today.

When you have this background of ideas which reach you from Russia or elsewhere, this background which is explained to you by the delegates of these various countries. These delegates are not there, I repeat, to present ideas imposed on them by a government before their departure, it is easier for you to put the problem in its proper perspective and to transpose it on the international level. This enables you to better understand the man you speak to and to reach, as it where, universal understanding; you then realize how difficult are the solutions which look rather easy at a distance, but it is quite different when they are presented to you by an interpreter who, I mention it again, has no official status and who gives you his personal impression, which truly reflects, I am sure, the way of thinking in the areas where they live. Now I believe that in such circumstances, you get an altogether different outlook on international problems that should concern Canada and the whole world and in which Canada will take a greater interest in the future, for Canada, I am sure, will have to enable her representatives to make contacts in that field in the future so as to better realize the importance of world problems and work towards their solution.

It is amazing to see to what proportions are reduced some problems which often seem insuperable at a distance, when they are explained by people who experience them and are familiar with the areas where they crop up. It is then far easier to look into such conditions when they are reduced to the stature of the people in the environment where they arose.

And so, I came back from that conference delighted, first of all, to have had the opportunity of participating in it; delighted, as well, to have had the opportunity of working with a delegation made up of people who were concerned with representing Canada properly, and who did Canada proud—all the delegates were members of different political parties, only one of which was not represented—not by putting foward the ideas of their respective parties, or their opinions as seen through the prism of their parties, but rather by expressing themselves as Canadians, solely as representatives of Canada, regardless of their political affiliations. I was pleased to work with such a group, and especially with our Ambassador Mr. James George, Dr. Hopper and Mr. Jackson, and our dedicated secretary, Miss Jean McPherson. I must say that the members of our delegation have the greatest admiration for people who are as

dedicated as Mr. Hopper and Mr. Jackson in bringing comfort and assistance to these destitute peoples living in the greatest misery. These dedicated people sacrifice their own comfort at home to go and live in foreign countries such as India under very difficult conditions to help the poor.

Following our visit to India, we had the honour and pleasure to be invited by the Ceylonese delegates to spend five days in their country and really our visit to Ceylon was a great revelation to the whole delegation. First, this country is a small island very close to the southeastern coast of India, extending over an area of barely 25,000 square miles, which is about the size of New Brunswick; but this country has a population of over 12 million. Comparing Ceylon with India, there are more people in Ceylon by square mile than in India which has a population of 527 million. This country is an island which has been called the Garden of Eden and that is the impression you get when you set foot in this country which has a marvelous vegetation and is well watered by the India Sea and also by fresh-water springs inland.

The visit to Ceylon, which began on our arrival at the international airport of Colombo, lasted five days; we did not stay in Colombo City to see the commercial activities of the capital, but our delegation was invited to visit the rural areas inland. We visited the Kandy area, the historic sites of Ceylon and especially the University of Kandy. We also had an opportunity to get in touch with the people, with the rural people of Ceylon. Our impression was that the Ceylonese are industrious. People are clean and very hospitable. They look well fed and in good health. Rural villages are spotless clean; although people cannot be said to be rich, their homes are unostentatious and in line with the country's standards. But I want to insist again on the cleanliness of everything you see. We visited several plantations: tea, rubber, etc. In India, we had seen what seemed to be quite abnormal working conditions, but these do not exist in Ceylon, where you meet people who are quite satisfied, open-minded and seemingly happy. We were especially surprised by the way we were welcomed, even in the most remote villages. When we were crossing these small villages in our speeding cars, we heard greetings from the crowd, little boys no higher than my hand, small girls, shouting the name of Canada, and who greeted us with wide smiles showing their flashing white teeth. I mentioned this in a speech at a dinner given by the president of the Senate in Ceylon, stating that we had been welcomed as true friends. Upon the last day of our stay which included a very crowded program of official visits, we began by calling on the Governor General, which is astonishing in an independent country. But what astonished me even more happened when the Chief Justice of Ceylon's Supreme Court told me something I did not know, that they still appealed to the Privy Council in England. That may seem unusual, but as the Chief Justice explained to me, they had retained the appeals to the Privy Council in England, first, because they were quite satisfied with their experience with those appeals in the past. Moreover, since theirs was a young country, with a rather heterogeneous legal system, for Ceylon has been at times under the rule of the Dutch, at times under the rule of Portugal, and then under the rule of England, their present common law comes mainly from the Dutch law, known as The Dutch Roman Law; and owing to the European origin of those legal principles, the Chief Justice told me that it was one of the reasons why they wanted to retain the appeals to the Privy Council, and also because of the profitable experiences they had in the past with such appeals. That reminds me of something I have often heard judges of our highest courts and jurists of the province of Quebec remark, that it had been and still was a matter of regret for them that we no longer had our former possibility of recourse to the British Privy Council and, what may seem surprising, primarily for the interpretation of the Civil Code of the Province of Quebec, which is based on the French Civil Code. As I was saying, several of our French Canadian jurists expressed their past and present regret that appeals to the British Privy Council had been abolished, because of the past favourable experiences in such recourse, particularly for civil cases.

I apologize for this digression and I resume the account of our last day in Ceylon. After a visit to the Governor General, we were invited by Mr. Corea to a tour of the National Assembly and its offices and to a reception which was followed by another one offered by the President of the Senate, the Honourable Mr. Ratnayke. A luncheon was held in the presidential suite of the Senate, at which I had the honour of speaking in the name of the Canadian delegation. I told our hosts how we appreciated our stay in their country and

their generous hospitality. Since in the speech he made before I spoke, the Honourable Mr. Ratnayke had, for about half an hour, highly praised Canada's assistance to the development of Ceylon, I saw fit to point out what he himself had mentioned—that our aid to Ceylon was disinterested and, to use his expression, "without strings attached". In that short speech, I thought it proper to point out, in the same language he had used, that

[*English*]

> Canada seeks no other bonds with developing nations that those which naturally flow from mutual understanding, mutual respect and a sharing of common ideals.

[*Translation*]

Since the Honourable Mr. Ratnayke had mentioned that the assistance granted to Ceylon through our external aid program had been given,—these are his own words—"without strings attached"—I thought I might refer honourable senators to an article written by Shelton Liyannage, a member of the editorial staff of the Davasa group, in Colombo, who recently wrote a column about the Canadian assistance program to Ceylon, and who had it printed in the form of a pamphlet which he handed to me in the Colombo Hotel and which I have here.

This article is about the nature of the Canadian aid to Ceylon; it is called, *Without Strings*. The first chapter is entitled "The Good Samaritan" and I quote this short excerpt:

[*English*]

> Today there are two diametrically opposite approaches to the provision of aid to developing countries. There is the self-seeking and the selfless approach.

[*Translation*]

Now I will skip a paragraph:

[*English*]

> The Government of Canada, coming to our aid in the hour of need, makes us almost feel that we are receiving compensation as of right from injury done to us.—

[*Translation*]

Then, there is a chapter which is entitled "Gentlemen Diplomats". Another one is entitled "Giving Graciously". After having spoken of the publicity which accompanies the assistance programs of the other countries in Ceylon, he said, and I quote:

[*English*]

> The philosophy of aid through trade is a modern technique designed to take with the left hand what the right hand gives. Developing countries at the receiving end need to assure a trading balance in favour of the donor country.
>
> . . .
>
> Canada gracefully abjures such techniques and we Ceylonese are profoundly grateful for Canada's New Deal.

[*Translation*]

We find another chapter entitled *The Vessantara Saga* which further emphasizes the unselfishness of the Canadian aid program to Ceylon.

In view of the fact that it is a very interesting article, I suggest, if my honourable colleagues agree, that it should be made part of today's *Hansard* without however the last two chapters which deal with economics and which give historical notes about Canada which are of less significance for us. I also suggest that the booklet entitled *Without Strings* by Shelton Liyannage, from pages 1 to 11, be printed in *Hansard*.

The Hon. the Speaker: Do honourable senators agree that the booklet be printed in *Hansard*.

[*English*]

Hon. Senators: Agreed.

(*For text of publication, see Appendix, pp. 443-5.*)

[*Translation*]

Hon. Mr. Langlois: Thank you. I conclude my remarks by informing this house that, during lunch at the Senate of Ceylon, I had the opportunity of offering our Ceylonese colleagues our best wishes and our best regards. On behalf of the Speaker of the Canadian Senate and the Speaker of the House of Commons of Canada, I presented the President of the Ceylonese Senate with a souvenir photograph of the delegation of speakers and presidents of parliaments of the British Commonwealth taken at the meeting held in Ottawa in September 1969. The Honourable Mr. Ratnayke had been unable to attend that Ottawa conference; he was deeply moved by the presentation of that memento photograph, and

he asked me to thank the Speaker of the Senate and the Speaker of the House of Commons for their delicate attention.

I would not be happy to conclude these brief comments on our stay in Ceylon without pointing out the kindness and courteousness of our High Commissionner in Colombo, who greeted us upon our arrival and received us during our stay there. I am referring to His Excellency the High Commissioner Timmerman, and I wish to mention the graciousness and kindness of Madame Timmerman, particularly on the occasion of the farewell reception which we had at Canada House before our departure from Ceylon for Rome, then on to England and Canada. Indeed, Mr. and Mrs. Timmerman showed the utmost kindness to us, and there again, we got in Ceylon the same impression as in India, that Canada was well represented by the staff of her embassy in that country. I wish to repeat once more that we are fortunate to have people so well trained to represent us in those foreign countries. Thank you.

[*English*]

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, January 29, at 2 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 441.*)

INTER-PARLIAMENTARY UNION

FIFTY-SEVENTH ANNUAL CONFERENCE, HELD AT NEW DELHI, INDIA—EXTRACTS FROM PUBLICATION

WITHOUT STRINGS

The Good Samaritan

Today there are two diametrically opposite approaches to the provision of aid to developing countries. There is the self-seeking and the selfless approach.

CANADA stands out as a shining example of the rare altruistic aristocrat who goes to the aid of the slum dweller as though it is part of a sacred obligation. She alone seems to have the right sense of giving, as though it is a great favour conferred on her.

We feel profoundly grateful. The Government of Canada, coming to our aid in the hour of need, makes us almost feel that we are receiving compensation as of right for some injury done to us—as though they and not the British had been our Colonial Masters. Canada alone reassures us that to beg we need not be ashamed. There is no catch in Canadian aid, no strings attached. A Nation should merely catch the eye of the Canadians as deserving of aid and they are there comforting you for the loss in men and property in natural calamities like floods and cyclones offering you immediate aid.

The Canadian Diplomat thinks and behaves somehow, as though his country is under a ceaseless obligation to give succour to the distressed.

Canada is oblivious of the political or commercial potential of aid given to developing nations by nations more prosperous than herself.

Canadian aid does not underwrite the political fortunes of the party in power in Ottawa.

When America cut off her aid to Ceylon when the Government dared to nationalise the oil business, the hard-hitting communique issued by our Government seemed like slashes from the sword held by the Lion in the Ceylon National Flag. Our reaction was symbolic of the feelings of millions of Asians and Africans, the peoples of newly emerged independent nations, to conditional foreign aid.

There were, of course, the prophets of gloom in the capitals of the West and the East who believed that our daring reaction had blasted Ceylon's prospects of receiving aid from the western world.

But they were reckoning without the noblest among the Powerful Nations, the Canadians. The stuff the Canadians are made of stands out prominently with the realisation that Mighty America's immediate neighbour, had the courage to fill the breach left by the Yanks.

The Gentlemen Diplomats

The gloom prophets were unmasked, America was confounded, and the peoples of Afro-Asia silently admired the newly arrived great good Samaritan of the Far West. Ceylonese hearts warmed to the courage of a White race in a far off place infrequently read of and hardly ever heard over the Radio.

Without fuss and with open frankness the High Command in Ottawa gave orders to take over the Katunayake Air Port Development project which had been left high and dry. It was going to be the show-piece of Yankee aid to Ceylon—to put Ceylon on the world's jet map. But what a show the Canadians now have made of it!

Canadian technicians rolled up their shirt sleeves, the 20 mile trunk route between Colombo and Katunayake grumbled under the weight of heavy Canadian trucks howling along as though in emergency transport operation in war time, and the project was completed far ahead of all schedules. It was a challenge to our freedom. But we were not without friends.

Almost overnight, Katunayake was transformed into a veritable earner of foreign exchange for Ceylon. When the Indo-Pakistan war broke out our Airport became the nerve-centre of air traffic, jets taking off and landing in an almost never-ending stream.

The Canadian technicians put another feather in our cap. They exploded the Colonial myth, still shared by brown sahibs, that

Ceylonese labour is lazy. Local labour was directly recruited, cutting out "arm-chair" contractors who devoured the lion's share of foreign project moneys. Shiploads of machinery, equipment and trucks came directly from Canada, leaving no room for local sharks to grab aid money through contracts and sub-contracts with the Canadian firm. No wonder our labour gave of their best to the Canadians who had nothing but praise for Ceylonese workers. Devoid of local middlemen to exploit them, local labour went all out to work for a friend who had come to help us in time of need.

A nation unsullied by colonizing habits is how the Ceylonese people have come to describe the Canadians who seem destined to take the stink out of the white men who raped the resources of colonized Asia and Africa.

The average Ceylonese is deeply gratified to learn that Canada is the largest contributor of outright grants to Ceylon for her economic development. Three fourths of the Rs. 200 million of Canadian aid is an outright grant not to be be repaid. Another Rs. 20 million has been given us to repair the damage to property from natural calamities.

There may be other countries willing to come to our aid.

But it is the temperate manner in which the Canadians went about this aid giving business that has created for them the Asian image of a Nation of gentlemen. Canadian Diplomats no doubt act within a common code the world over. For, we have yet to hear of a hard criticism of Canadian Embassies in Asia or Africa. Their aloofness from the internal management of free nations is truly a model for other nations.

Giving Graciously

Whenever floodwaters engulf our village hamlets, destroying life and property, we learn through a briefly worded communique by our Government that the Canadian Envoy has met the Prime Minister with an offer of aid.

What a delightful contrast this is to the fanfare of publicity which precedes aid from certain other nations! In the latter case a team of Diplomatic Press would have worked overtime, DPL luxury cars would have rushed Diplomats carrying literature to accommodate half the space of a daily newspaper, duty-free whiskey would flow for several days before and after the event. The opportunity would be exploited to throw in special articles highlighting the generosity of the donor country towards all developing countries of the world. Photographs of the leaders of the donor country and of the local Envoy, special messages of appreciation from our own leaders would be rushed to newsrooms as though this were the scoop of the century.

The Canadians give as true Buddhists would to those in need in humility rather than ostentation.

While the construction of Katunayake Airport was under way newspapers found it difficult to persuade the Canadian Envoy to visit the work site for the benefit of a news photographer. A Canadian official explained: "We are doing our bit by your country for which we don't need any kind of publicity. You would be doing a service if something could be written on how the little aid we give should be put to good use".

The philosophy of aid through trade is a modern technique designed to take with the left hand what the right hand gives. Developing countries at the receiving end need to assure a trading balance in favour of the donor country.

Alternatively there must be political gain, a sort of dancing to pre-specified political tunes. Nations giving aid have been hoist with their own petard by Canada's moral norms.

Canada gracefully abjures such techniques and we Ceylonese are profoundly grateful for Canada's New Deal.

This country has gained a favourable trade balance to the tune of Rs. 372 million during six years' trading with Canada. Between 1960 and 1965 while we imported Rs. 64.7 million worth of goods, the exports amounted to Rs. 436.7 million (see page 16 for breakdown). For a correct assessment of the balance of trade, Rs. 4 million should be sliced off annually from imports statistics. This amount represents the gifts of wheat flour and other items channelled through the Colombo Plan to meet natural calamities.

The Vessantara Saga

Canadian world-wide aid has topped the Rs. 25 billion mark, half on the never-never and the balance on the no return basis. Canada has played the role of good Samaritan to two world powers with contrasting political ideologies—Russia and Great Britain. Over a thousand sons of Canada are showing the way to technical progress in foreign lands. And to silence the guns of warring states through ceasefire and other means, Canada recently

gave away four million dollars to keep the UN peace operations going in the world's trouble spots.

What manner of men are the Canadians, who by their acts keep reminding us of the Vessantara Saga?

A land of contrasts, Canada is the second largest country in the world, 3,850,000 square miles covering the entire north of the North American Continent with the exception of Alaska and Greenland. But Canada is sparsely populated: a modest 19,000,000, less than twice the population of wee Ceylon.

Canada's Resources

Canada has a Parliamentary System of Government similar to Ceylon's. There are two Official Languages—English and French. Half her population is of British stock, a third, French, and the remainder consists of Germans, 5.7; Ukrainians, 2.6; Dutch, 2.3; Italians, 2.5; Scandinavians, 2.1; Poles, 1.1 per cent. The all-Canada rate of population growth has been three per cent. More than two-third live within hundred miles of the American border. Canada leads the world in fresh water area vital to transportation and power generation. The St. Lawrence River system, her main waterway, is navigable for more than 2,000 miles. Even longer is the Mackenzie River system stretching over 2,600 miles through the Northwest territories to the Arctic ocean.

The poet Rudyard Kipling described Canada as "Our Lady of the Snows". Most of the country has a continental climate with long, cold winters. However, summers can be almost tropical in their intensity. Few Canadians have seen all Canada because of its vastness. For Canada seems several countries rolled into one, with four thousand miles from east to west and 3,000 miles from north to south, one and half million square miles of forests, half a million square miles of arable land. Southern boundaries dip down to the latitude of Rome and Northern Islands extend to the Polar Ice cap. Farming and Forestry are important land resources. There are coal and iron deposits. The seas provide the world's richest fishing resources. A great horseshoe shaped mountains and hills covering an area of 1,600,000 square miles covering almost half of Canada yields much of world's nickel, platinum, uranium, gold, silver and other metals. Canada is the world's second largest exporter of wheat. Canada is essentially a forested country having more than 1,700,000 square miles under tree cover. Forest-based industries are the most important part of the Canadian economy and produce nearly a third of the nation's export. The forest industries employ nearly 3,000,000 people. The pulp and paper industry has grown during the past 50 years into the country's leading industry. Canada's Newsprint production of about 7,000,000 tons a year is more than three times of any other country and accounts for about 50 per cent of the world's total production.

Canada has golden plains that sweep westward for a thousand miles and merge into a mountainous region five hundred miles wide. Canada is big enough to contain a wasteland a million square miles in size and also more lakes than any other country.

Canadians are themselves a study in contrasts. The anglo-French heritage is one of the most important distinguishing features of the country. The two cultures exist side by side, each maintaining a distinct indentity, each supplementing and contributing to the other. Over two million immigrants have immigrated to Canada since World War II.

With the exploitation of its natural resources and the growth of its industrial economy, Canada's position as a great trading nation and a world power has become more and more impressive.

Yet Canada does not try to wield the big stick at smaller nations which are struggling to stand on their feet.

THE SENATE

Thursday, January 29, 1970

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem,* in the Chair.

Prayers.

RAILWAY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-11, to amend the Railway Act.

Bill read first time.

Hon. Mr. Martin moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. Paul Martin tabled:

> Statutory Orders and Regulations published in the *Canada Gazette,* Part II, of Wednesday, January 28, 1970, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, February 3, 1970, at 8 o'clock in the evening.

Motion agreed to.

OFFICIAL REPORT

Hon. Leopold Langlois: Honourable senators, before the Orders of the Day are called, I rise on a question of privilege, to make a correction to the *Hansard* of yesterday.

I refer first to page 437, the lower part of the left-hand column, to the sentence commencing:

> I would remind my honourable colleagues that our visit to India took place at the time of a rather serious political problem, when the Indian Prime Minister was thrown out of her party by the union in control of this party in India—

This is an error in the translation of "syndicat". The word "syndicat" in French should have been translated by "syndicate". The controlling group in the Congress Party in India is known as the "syndicate", not as the "union".

Also at page 440 of the same text, there is another error in translation, in the lower part of the left-hand column. It is reported:

> We visited several plantations: tea, rubber, etc. In India, we had seen what seemed to be quite normal working conditions—

This should read "abnormal" working conditions.

Also on page, 440, at the top of the right-hand column—and this could have been a lapse on my part, as I had been talking at some length—the report reads:

> Upon the last day of our stay which included a very crowded program of official visits, we began by calling on the Governor General, which is astonishing in a republic.

What I meant to say was:

> Which is astonishing in an independent country.

Again, in the same part of the speech, at page 440, in the right-hand column at the top, it is reported:

> That may seem comical—

That should read "unusual". The word I used in French was "inusité".

In the lower part of the same column, towards the end, the word "dinner" should read "luncheon".

THE SENATE

PUBLIC RELATIONS OF THE SENATE—PARTICIPATION IN OUTSIDE PROGRAMS

Hon. G. Percival Burchill: Honourable senators, before the Orders of the Day are called I wish to call to the attention of the Senate two incidents which occurred during recess.

The first occasion was when my good friend Senator Grattan O'Leary appeared on a television program called "Under Attack". On that program he answered a number of questions put to him by students of the University of Waterloo. Having had the privilege of seeing that program, I can say with assurance that Senator O'Leary did a magnificent job in answering the questions. Indeed, there have

been numerous favourable comments in my section of the country with regard to the program, and I want to congratulate Senator O'Leary on the job he did that night and also to say that in my judgment he did more to help the public relations of the Senate than anything that has occurred for a long time. Those who did not see Senator O'Leary's performance that night missed something very worth while.

The second incident involved myself. Shortly after the occasion I have just mentioned, I was asked by the principal of one of the high schools in my community in the town of Chatham to address the students of grade 11 on the subject of the Senate, an invitation which I was happy to accept. The principal informed me that I should be ready to answer a great many questions. There were more than 100 students and they asked many questions. However, everything proceeded smoothly. The questions were quite in order and intelligent, and I believe that I left them with a conception of the Senate altogether different from that which they had before.

May I call to the attention of the New Brunswick senators present, Senator Fergusson and Senator McElman, that the book which the New Brunswick Department of Education has prescribed for its schools, dealing with the subject of government, entitled 'How Are We Governed?"—the one which the teacher had in the classroom—bears some reference to the Senate which I think you will agree, upon reading, is anything but complimentary. I did my best to correct the wrong impression of the Senate that these young people had as a result of that book.

In preparing material for my address I discovered that in the last session of Parliament there were 16 private bills initiated in the Senate as against two in the House of Commons. There were 22 public bills initiated here and 49 in the House of Commons.

In this connection I should point out that since I have been a member of the Senate pressure has been put on every Senate Government Leader, including Senator Robertson, Senator Macdonald, Senator Connolly (Ottawa West), and Senator Aseltine, to get more business for the Senate and to persuade the Government to allow the Senate to initiate bills. I think we owe a tribute to our present leader, Senator Martin, because his is one of the best records we have had in a long time so far as initiation of business in this chamber is concerned.

Hon. Senators: Hear, hear.

Hon. T. D'Arcy Leonard: Honourable senators, following on the point just made by Senator Burchill, may I add that I too heard about the television program on which Senator O'Leary appeared and I decided to follow this up by getting in touch with the producers of the program. I now have a letter saying that that program is available for us to see if we desire to do so. However, we need a place where the film can be shown, and I am not familiar with the procedure involved in this. I thought that all honourable senators would be interested in knowing that if we can make suitable arrangements a copy of that program will be provided for us in Ottawa.

Hon. Senators: Hear, hear.

Hon. M. Grattan O'Leary: Honourable senators, may I thank Senator Burchill and Senator Leonard for their kind words. They will serve as an introduction to a few remarks I have to make about the Senate later this afternoon.

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Hon. Mr. Martin, that the Senate do unite with the House of Commons in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

Hon. Jacques Flynn: Honourable senators, we are basically in agreement with the idea behind the formation of a joint committee to look into matters pertaining to the Constitution. As far back as May 27, 1964, I rose in this chamber to say that a permanent committee of the Senate should be set up to deal with constitutional problems. No such committee was directly established, although we have now in this chamber a committee on constitutional and legal affairs. Nor was any committee for that purpose established in the other place, although my colleagues there have been asking for such a committee since 1965. Indeed, in both chambers we have had a countless number of debates on this thorny question, all of which have proved up to now to be completely fruitless. More recently the Government has organized a series of federal-provincial conferences which have often been described as an exercise in futility.

Cynical as it may sound, the frustrating truth of the matter is that discussions on matters relating to the repatriation and revision of the Constitution have become a ritual exercise which has put to sleep those who have little interest in the matter, while at the same time has caused exasperation among those who were sincerely asking for this. As a result many have been provoked into adopting extremist attitudes. It is quite obvious that the Government's heart has never been in it; they have never really intended to do anything concrete about the Constitution. For a long time they have been content to placate those who are outspokenly opposed to the *status quo*. The Prime Minister himself said two or three years ago that he was opposed to a review of the Constitution, and in the speech which he made in the other place presenting the motion he repeated his stand. I am wondering whether this attitude of the Prime Minister is one of the reasons why there was so little progress made in those constitutional talks between the federal Government and the provinces.

In any event, let us here and now resolve, as we set up yet another committee, that we will not indulge in messing up the record with a spate of trite and soporific lectures which completely avoid the issues; that we will not seek to make headlines with a plethora of emotional and irrational diatribes against this or that supposed cause of our constitutional ills. We must not allow the record to show that this joint committee was afflicted with a diarrhea of words when it came to pointing out the problems and a constipation of ideas when it came to solving them. Parliament has done precious little in the area of constitutional reform to endear itself to the taxpayer. He must be quite annoyed at the money that has been spent, with nothing of worth to show for it at this time.

On the brighter side, permit me to point with approval to the fact that, in setting up a committee of Parliament to deal with the Constitution, we will permit the general public to participate in the revision of the Constitution. The experience of recent years' debates proves that this matter should not be left to governments alone. It is obvious to me that a set-up such as this cannot possibly do any worse than the vehicles we have used in the past, which ended up being driven into the ground by the hierarchy of the East Block and various other celestial gifts to the field of politics.

[Hon. Mr. Flynn.]

There is definitely not a consensus of opinion on the Constitution in Canada. No great degree of perspicacity is required to appreciate this fact. Possibly the main cause is our dual culture. The experience of the unwritten constitution of the United Kingdom suggests to many English-speaking Canadians that we should adopt the principle of evolution and let the facts modify our Constitution. On the other hand, their logic and minority status have incited French-speaking Canadians to claim a clear and complete document, so as to avoid in the future those endless disputes relating to the jurisdiction of both levels of government.

However, let us not be intimidated by the magnitude of the problem. We will solve nothing by adopting a defeatist attitude and hiding behind our problems. We must face them squarely and hammer out the solutions. We must be relentless in our search for just and lasting answers to our problems.

For instance, we have yet to solve the problem—and a solution is urgently required—as to how it would be possible for us in this country to sign treaties which involve, in whole or in part, implementation by provincial legislatures. We must decide whether provincial governments should be entitled to sign international agreements in those fields where they have authority. The federal Government has allowed this whole matter to devolve into an unseemly wrangle between itself and the government of Quebec. It is obvious that the federal Government subscribes to the theory that less mental effort is required to fight over issues than to solve them.

As regards air and water pollution we must end this fatuous debate over jurisdiction. We must finally agree upon who has authority in any given area before we all die in our own filth.

Again, in the field of welfare, the federal Government's aggressive power-hungry attitude has raised the hackles of provincial leaders who feel their authority is being usurped. The result has been conflicts between governments and personalities—conflicts which until they are resolved will impede the progress we should be making toward solving the crucial problems in the field of welfare.

It is imperative if we are to reach a constitutional consensus in this land, if we are to arrive at an arrangement in the best interests of the country as a whole, that there be some modification or redistribution of powers. The powers of each level of government must be

clarified, and the powers of that level of government which is deemed to be most competent to deal with a given problem should be extended to encompass entirely the area in question.

Not to be forgotten in all of this is the fact that apart from the federal and provincial levels of government, there are also the municipal and personal levels. It might be well to remember, starting with self-government, that the level of government which is closest to the individual, is oftentimes the most competent to deal with those problems which afflict him.

[*Translation*]

Honourable senators, this is not a succession, or a juxtaposition of monologues, but a sincere and pragmatic dialogue to help bridge the gap between Hugh MacLennan's two solitudes.

We must work together in order to establish the new Canada we all dream of—a Canada able to achieve a harmonious balance between the requirements of interdependence and the respect of legitimate diversity.

Let us be frank with one another. Even if we decided to speak and act as though our country included only ten similar provinces; even if we pretended to believe that all Canadians are alike except that some speak French and others speak English, it would soon become evident that there are in Canada not only two languages, but also two cultures, two major societies, two majorities, two great cultural communities, one of which has its main seat in Quebec.

We must recognize this duality from the start if we are to end up with a constitution that can harmonize our differences instead of abolishing them. To be taken seriously when speaking of fundamental rights, one must first of all recognize that there is no right more fundamental that that of being different from others, of having one's own indentity and of adhering to it.

Federalism as a whole must allow its various communities to retain both the advantages of togetherness and those of diversity. If in certain parts of the country people look down upon our federalism, it is precisely because, in the past, it was too often used to impose uniformity rather than lead to agreement.

We should not let an obsession for uniformity stand in the way of Canadian solidarity.

We should not let words intimidate us. A particular arrangement does not necessarily imply that a special status for Quebec would follow. It is sufficient that between the exclusive powers of the provincial governments and the federal Government there should be a middle area where, by way of a common jurisdiction or a delegation of powers or some other mechanism, some members of the federation would be free to act on their own initiative in those fields to which they attach some particular importance.

[*English*]

Honourable senators, to recapitulate, we on this side support the formation of this committee. We are optimistic that more headway will be made now that members of Opposition parties and the people of Canada through their various organizations can be heard on the subject of constitutional repatriation and revision. I would be remiss in my duties as Leader of the Opposition in the Senate, however, if I did not broach a topic which arises out of the establishment of this joint committee.

The motion asks that the committee be empowered to sit while the Senate is sitting. We have raised this motion before, but apparently no solution is forthcoming. With yet another committee doing special investigative work—we have now Special Senate Committees on Science Policy, Mass Media and Poverty, not to mention the Standing Senate Committee on Banking, Trade and Commerce, which is dealing with the White Paper on Taxation, and which I acknowledge is proposed legislation—it will become increasingly difficult for the Senate to accomplish its primary task, which is to review the legislation coming from the other place and to study adequately the legislation being initiated here. Furthermore, it will be very difficult for the Opposition, in view of its small number, to attend all these committees and at the same time attend the sittings of the Senate. The Senate, even under the best of circumstances, has not been sufficiently well attended during the past few years. We should therefore be careful not to add to the difficulty of the situation. I am not suggesting that the Senate should withdraw from the field of investigation, but I suggest that we should move cautiously therein, remembering that priority should always be given to our legislative responsibilities.

May I be allowed to suggest that the Prime Minister is not helping the Senate by procrastinating in the matter of filling the increasing number of vacancies here. On the other hand,

if he ever makes up his mind to appoint new senators, he should not forget that he will only contribute to an already difficult situation if the appointees are selected only from the Government party.

[*Translation*]

Hon. Mr. Langlois: I refrained from interrupting the Leader of the Opposition earlier, but may I ask him a question now?

Hon. Mr. Flynn: With great pleasure.

Hon. Mr. Langlois: During his excellent speech, the Leader of the Opposition mentioned the concept of two solitudes and I wonder if he had in mind the theory of a Canadian Constitution based on a two-partner Canada, as against a Canadian Constitution based on a ten-partner Canada advocated in our province and proposed at last year's federal-provincial conference?

Hon. Mr. Flynn: Honourable senators, I had not hoped that Senator Langlois would offer me such a good opportunity of disproving an ambiguity which his party turned to advantage in the election of 1968. As a matter of fact, we prefer using words to the theory of two nations and we referred again to the use of those words at the Montmorency conference and also at the Toronto convention which elected the Honourable Mr. Stanfield as chief of the party. But I would say that it gave the present Prime Minister a chance to show how opportunistic he was when he led people to believe that he was against the two-nation theory and that we were in favour of it. It was nothing but a play on words.

It is probable that Senator Langlois did not read the Montmorency resolutions, and he probably did not read the resolutions passed at the Toronto convention. I would also recommend that he read another text, which he might find interesting, and it is the article published in the Queen's University Review by Mr. Dalton Camp, where it was—

Hon. Mr. Martin: To what party does he belong?

Hon. Mr. Flynn: Mr. Dalton Camp belongs to the same party I do. He also was a victim of the opportunism of the Liberal Party and of the present Prime Minister. I remember well that at Montmorency in particular I did not use—because I am as much a politician as the Government Leader—these two words, *two nations,* as obviously I would not give him this unique occasion to ride these two words, *two nations,* to death. But he may have thought that these two words were in a resolution which was merely upholding the principle of bilingualism at the federal level and which said, in essence, that the French Canadians, in the federal field as well as in the other provinces, as far as the status of their language is concerned, should enjoy the same treatment as the English-speaking Canadians enjoy in Quebec. It was stated in the preamble of the resolution that because Canada had been built by two nations, certain things had to follow, whereas the words *by two communities* could have been used, which would have made it much easier to avoid the conclusion certain people have come to. In short, the resolution calls for bilingualism at the federal level on the basis of the principle of two nations, and on the basis of the principle that French Canadians should enjoy the same status in the other provinces that English Canadians enjoy in the province of Quebec.

Now, I think my friend Senator Langlois will admit that—

Hon. Mr. Langlois: You must answer my question.

Hon. Mr. Flynn: Yes, I believe you asked me a question and I am attempting to reply—

Hon. Mr. Langlois: Not by making a speech.

Hon. Mr. Flynn: Perhaps not, but you did question me on a rather vast subject. The principle adopted by the Government and reflected in the act, which was passed at the last session, concerning the status of the official languages, is the same as the one we advocated previously. I say it was merely political shrewdness, electoral cunning that created confusion around those two words; and now you take advantage of it—as we say in English—to rub it in.

Hon. Mr. Langlois: Honourable senators, I am sorry I touched on what is such a political sore point with my honourable friend, and I apologize to him for having done so. I would rather have had him reply to my question instead of making a speech that had absolutely nothing to do with the problem I put to him, because I know no more now than I did at the start.

Hon. Mr. Flynn: When one does not want to understand, it is difficult—

Hon. Mr. Langlois: When one does not want to speak either—

Hon. Mr. Martin: Are you two going to travel on the same plane tonight?

Hon. Mr. Flynn: Yes, and I do not mind, but I doubt than an hour will be enough to make him understand.

[*English*]

Hon. M. Grattan O'Leary: Honourable senators, I was wondering if this was a private fight, or if anyone can get into it! I wish to offer a few supplementary remarks to what was said by Senator Flynn in his second speech. It is about the Senate. He mentioned the number of committees we are supposed to attend and do not attend, primarily I think because we on this side of the house just have not enough bodies for all these committees.

We have in the Senate two standing committees of outstanding distinction. There is the Standing Senate Committee on Banking, Trade and Commerce under the great leadership of Senator Hayden; there is the Standing Senate Committee on National Finance, headed by Senator D'Arcy Leonard. These are two very good and distinguished committees, and there is a consensus in this country among business and professional people who come before them that they excel any others in the Parliament of Canada. I think that is true, but I am afraid there is a tendency toward inflation of committees in this house; there is a tendency to turn this house from its historic role of being a house of review into being merely an investigative body.

I look at the Government Leader (Hon. Mr. Martin) and I remember his long, brilliant and distinguished career in the parliamentary life of this country, a career that compels respect, and indeed admiration. He told us some time ago that he did not come to this house as its leader to preside over its liquidation, and he went on to say that what we should do to preserve our position in the country in our parliamentary set-up was to turn ourselves into an investigative body. With that, honourable senators, I profoundly disagree.

This house was set up by our so-called Constitution, which is in reality only a statute of the British Parliament. We were set up as an integral part of Parliament. We were set up as a review chamber, and that has been our historic role for a hundred years. Are we now in panic, in fear that we may be extinguished, going to try to save our lives and our skins by turning this house into something else, into something not provided by the Constitution?

Honourable senators, there has never been a time in the history of our country, or in the history of the world, when there was more need for a second chamber. With government branching out into our very private lives and becoming more complicated every day, and, moreover, in an age and day when old moorings are being set adrift, when old dogmas are not only being denied but derided, in an age and a day when men are beginning to ask what is truth, this is no time to be changing the role of a second chamber. Not in half a century has any democratic state dispensed with a second chamber.

If I may repeat myself, more than ever in our history, more than ever at any time in the history of the world, does a country like Canada, with the many problems that beset us, growing in intensity every day, need a review chamber. For heaven's sake, do not let us abandon that historic role by merely making it an investigative chamber.

We have not the members to man these committees. When people say we should turn ourselves into an investigative body, all we are doing is playing the game of those in this country who want this house abolished. This would be a good way to set about its abolition. Destroy its role, make the people of Canada believe that it has no important role to play and that it should be doing something else, and you are well on the way to the extinction of this chamber.

I know some of these committees could and might do good work, but are we at this stage of the existence of this chamber going to say that its members should be turned into nomads, wandering all over the nation and sticking their noses into things about which they know very little? We have not the know-how nor the capacity to undertake these tasks.

My friends across the way spoke a few moments ago about a program which I took part in called "Under Attack". I met that audience, and it was a hostile audience to the degree of rudeness, but I had no difficulty answering their questions and I must say that they came there with open minds. These were people with free minds who really were under misconceptions, and when I explained the position to them they came around. I hope I do not say it immodestly, but I found that with that hostile audience it was merely a process of answering their questions as best I could. I could think of a dozen men in this chamber who could have answered

them better than I did. They rose and gave me a standing ovation and told me afterwards that these are facts which should have been known to the people of Canada. They said, "We do not know what you do down there and what part the Senate plays." I made the comment that the media in Canada does not seem to know what the role of the Senate is either. If you read the press you will find them writing of "members of Parliament and senators". What they mean, of course, are members of the House of Commons and senators. We are members of Parliament too, but even the press seems to have forgotten that.

Honourable senators, we were set up by the British North America Act as an integral part of Parliament with a vital role to perform. Do not let us play that role down and say, "Oh, no, we are not doing much here so we are going to try to turn ourselves into an investigative body." This is wrong, because if we do that then we shall be abdicating our position. We shall be yielding in panic to ignorant critics and paving the way for the abolition of this chamber. I repeat, we have too many committees in this house. Standing committees, yes; we know they are doing an excellent job, but if we are going to set ourselves up to investigate this, that and the other thing clear across the country, then we are on our way out. It seems to me that half our time in this house is spent trying to get out from under piles of paper work. We are choked by paper and reports of these committees. When we are not supposed to be reading these reports, which no human being ever could read, then we must sit here and listen to the travelogues of gentlemen who go to this or that defunct organization.

I will be frank with you. One is the British Commonwealth Organization, another is I.P.U., and a third is NATO. I feel that these organizations are cliche-ridden and defunct, and yet our members are running all over the world attending conventions and coming back to tell us about them. I am not criticizing Senator Langlois, who made an excellent report yesterday. At least he had the good grace and sense to say, "Look, these are the resolutions; let us do something about them." What have we been doing about these resolutions, passed here and there and even in non-parliamentary countries, and these delegates who come back and tell us that at 2 or 3 o'clock on an afternoon Lady Somebody served tea?

Honourable senators, this is not the role of the Senate. We do not need to meet here every day. We meet here to review legislation, and my only complaint is that we are not reviewing more of the administrative business of this country, nor are we looking at the orders in council that are passed. Everybody knows that 90 per cent of the administration of this country consists of orders in council. These are things that we should be doing, but for heaven's sake do not let us play down our own importance by saying, "Look, we are not doing much; we will try to do something else; we are going to investigate this and that." We cannot do these things effectively. I assure you that no matter how good some of the men who are running these committees may be, we cannot do this investigatory work effectively. All we are doing is getting headlines, and some of them are not too favourable.

Hon. Senators: Hear, hear.

Hon. Hazen Argue: Honourable senators, whether or not we all agree with the very strong points that have been made by Senator O'Leary, I think I can say that as long as he and others like him are in this chamber it will be a very lively place and is in no danger whatsoever of dying now or in the foreseeable future.

I appreciate the point that Senator O'Leary has made, namely, that if we have too many inquiries going on and too many committees working at one time, the Senate itself cannot do an effective job. But I can hear the speeches that would be made in this chamber today if we had been faced with a resolution in the other place to set up a committee of the other place, excluding any representatives of the Senate, to inquire into and report upon changes that may be necessary in the Constitution. Therefore, we are really in favour of this investigation. I am glad that speeches have been made really on some other aspects, namely, whether or not we have too many inquiries going on. The inquiries that are being undertaken by the Senate are excellent. I think the work of these committees is most outstanding and that their reports, whether it be Mass Media, Poverty or Science Policy, will stand as important documents pointing the way for necessary changes for Canada in the future.

While at home I read yesterday's *Citizen* and I was absolutely amazed by the volume and the quality of the newspaper coverage that was given to the Senate and its committees yesterday. There may be some danger in having too many inquiries, and I can see them, but certainly the greatest danger facing

the Senate, if we want to discuss danger, is that the Senate is doing too little. The Senate today is exceedingly active.

Having said that I agree with Senator O'Leary in many respects, I hope I will not be considered inconsistent. I do feel that the deliberations of this body and this chamber is the principal function of the Senate—the legislative function, the reviewing function. We should not only be engaged in reviewing what comes to us, we should be taking more initiative in putting legislation forward from this chamber. If I may say so, when the Senate puts forward legislation, we should not be so timid as to fail to deal with that legislation, letting it die on the order paper and allowing somebody else take it up and get credit for some of the work done in this chamber.

I want to make a point that I feel is important and needs to be made if the Senate, and in particular, the work done in the chamber, is to function efficiently. I notice that as soon as a Senate committee is set up to make a special inquiry, very large sums of money are appropriated to that committee for researching and for the functioning of the committee. Once a Senate committee is set up, apparently money is no object.

Hon. Mr. Martin: It is now.

Hon. Mr. Argue: Apparently it is no object, because it runs into hundreds of thousands of dollars. They acquire very competent help, and I do not object to that. But what help does an individual senator have to assist him in his work as a member of this chamber?

As a former member of the House of Commons, I was shocked, when I came here to see the kind of secretarial arrangements which senators have. It is most inefficient. A senator who really wants to get his work done is unable to do so. There is no research help that I know of available to senators.

Members of the House of Commons respect themselves individually, and when they respect themselves they ask for adequate secretarial help. Until recently every member has had one secretary, and I am informed now that many have two secretaries—some have three, when required. Back-bench members of Parliament feel they need that kind of help to do their work. They are getting more and more research assistance attached to their political party. We do not get any.

The Library staff does its best. I have found them most co-operative. They are becoming overloaded. The time lag now is such that I think you have to give them a month's notice or more to get any kind of a specialized document.

I would hope that the Senate will change this, so that individual senators may have the kind of research help that is required if we are to make effective contributions in this chamber. At least we should have the secretarial help needed to discharge the functions of a senator. If a senator is prepared to work, he should have whatever secretarial and research assistance is required to help him to do an effective job.

This resolution to set up a joint committee of the Senate and the House of Commons follows a debate in the House of Commons on this important question. If there was one theme running through the whole of the Prime Minister's presentation, I think it was this, that he and the Government wished to see this committee set up so that there could be a concensus taken across this country, so that the ordinary Canadian would have a chance to present his views and to make his wishes known. That is a very commendable attitude.

The attitude of the official Opposition in that debate—when one takes out the normal political content one would expect—was good. The contribution made by the Leader of the Opposition in the other place, in pointing out the importance of this committee, was most commendable. He suggested that the committee in great measure should be non-partisan, that it should have English and French co-chairmen. He also suggested—and I think that this has merit—that one of the chairmen should be taken from the ranks of the Opposition.

Hon. Mr. Martin: Of course.

Hon. Mr. Argue: The discussion of necessary changes in the Constitution of this country is not basically a party political matter.

Hon. Mr. Martin: There will be such co-chairmen.

Hon. Mr. Argue: I am glad to hear from our leader that this arrangement is being made. I am sure that when this committee goes across Canada it will do effective work and that recommendations will be made from time to time to deal with the more urgent aspects of this question.

There is the whole question of urban affairs, of environment, of transportation, of housing, all coming to the fore. The demands

on government—municipal, provincial or federal—are becoming astronomical. It is almost impossible now for governments to meet their budgets. So, there is an economic crisis which must be considered and dealt with.

There is the question of our two major cultural groups living together in this country. There is the question of citizens within the various regions of our country being sufficiently satisfied with their role and treatment that they are enthusiastic citizens and wish to remain as part of Canada.

The whole question of regional disparity is one which is getting greater attention, and it is needed, if this country is to be kept together and if the opposition to Confederation is not to grow in parts of our nation.

The fact is that Ontario is prosperous. The fact is that Quebec is not as prosperous as it should be. The fact is that the Maritime Provinces are not prosperous. The fact is that the Prairie Provinces are not prosperous and face very difficult economic circumstances at this time.

There has been a growing feeling of alienation among the people of the Prairies for a number of years. This feeling of alienation, of being overlooked, of being made second-class citizens, of being ridiculed, of being sneered at—often by people in high places—is doing damage. There is talk of separation on the Prairies. I do not think it is the kind of separation that is talked about in the Province of Quebec. I cannot speak as one who fully understands the motives of people who preach separatism in the Province of Quebec. I believe that such talk of separatism on the Prairies stems from a feeling of economic inferiority. It is a question of dollars and cents. They are "fed up" in an economic way; they are not particularly unhappy for other reasons. I do not believe that attitude fully applies in the Province of Quebec. The Prairies are having their difficulties. Saskatchewan, as the central or the main agricultural province on the Prairies, is having even greater difficulties than its neighbours.

Sterling King of the Regina *Leader-Post*, a distinguished journalist, in an article yesterday based on Dominion Bureau of Statistics housing statistics, shows that housing starts in Saskatchewan dropped off 12.4 per cent in 1966. I have in my hand the *Globe and Mail* of January 22, 1970, in which are quoted the various economic statistics showing the state of the economy of the Province of Saskatchewan. Our population is going down. For the first time in a couple of decades we do not have even a small net growth. We have an absolute loss of population. We have had a drop in gross personal income from $2,291 million in 1968 to $2,465 million in 1969; a drop in farm cash receipts from $684 million in 1968 to $554 million in 1969.

Saskatchewan, as a province, is in great economic difficulty today. If one travels the rural areas one will very quickly pick up a feeling of pessimism. Farm implement dealers are closing their doors. People are moving off the farms. If you drive along the streets in the City of Regina you will see home after home with "for sale" signs.

Many of the construction firms are moving out of the City of Regina; some are even going bankrupt. Many of the major farm implement companies are removing their parts depots from Regina to places outside the province.

This situation is coupled with difficulties in the potash industry, together with a falling off in the general exploration in the oil industry.

There is rank and growing dissatisfaction on the Prairies with the treatment that we receive within Confederation. As I have already said, I think it is a question of dollars and cents. All that the people on the Prairies are asking for is that steps be taken to give them the same kind of opportunities that prevail in the wealthier provinces.

It is my opinion that the constitutional committee will enable persons who feel they have particular grievances, whether those persons are from the Prairies, the Maritimes or Quebec, to present their grievances, and it is my hope that such persons will, as a result of having done that, feel that their points of view will get consideration and that, where necessary, recommendations to change the Constitution will be made.

Representation in the Senate is based on regions. There are 24 senators from Ontario; 24 from Quebec; 24 from the west and 24 from the original maritime provinces, with six additional senators from Newfoundland. With that representation in mind, may I point out to you that we have had presented to us today a resolution naming ten senators to sit on the constitutional committee. It would have been reasonable to expect that every possible effort would have been made to distribute Senate representation on that committee in such a way as to give a fair voice, a

[Hon. Mr. Argue.]

reasonable voice, to the various regions and parts of Canada.

It should be noted that those of us who come from the more sparsely settled areas of Canada do not have the proportionate voice in the House of Commons that we have in representation in the Senate. As Mr. Pat Mahoney, M.P., pointed out recently, three out of five members of Parliament come from a ribbon of land approximately 100 miles wide, ranging from the City of Windsor to the City of Quebec. He pointed out that the Province of Ontario has a larger representation in the House of Commons than the total representation of the three Prairie Provinces and the four Maritime Provinces. In other words, things are loaded against the west and the east because of population distribution.

Bearing in mind what I have just said, let us consider the representation proposed for the committee on the Constitution. Of the ten senators proposed, four are to come from Quebec, three are to come from Ontario, one is to come from Newfoundland, one from Nova Scotia and one from Saskatchewan. Not one senator has been proposed to represent the provinces of British Columbia, Alberta, Manitoba, New Brunswick, or Prince Edward Island.

Perhaps it is not practicable to have every province represented, but surely we can do better than have seven representatives from the two central provinces, two from the east and one for the four western provinces. When the committee on the Constitution crosses the country, do not expect that its own constitution will go unnoticed. Is it to be expected that the neglected provinces will be pleased with the composition of this committee? The year 1970 is Manitoba's Centennial year; for them it is a year of great celebrations; they are celebrating the fact that 100 years ago they entered Confederation. Nevertheless, it has not been seen fit to recommend that the Province of Manitoba have a representative from the Senate to sit on the committee set up to study the Constitution.

Having made those observations, let me assure honourable senators that I am in no way critical of the individual senators whose names have been put forward to comprise the committee on the Constitution. I am not at all critical of them; in fact, I am sure every one of them is competent and will do the best job he can. It is just that I am so keenly disappointed in the geographical distribution of this committee's representation—a distribution which I have already given you.

I have endeavoured to obtain the names of the 20 members of the Commons who are to be appointed to that committee. As of an hour or so ago the committee list had not yet been composed. I am not, therefore, able to say whether the disparity that has been shown with respect to Senate representation will be to any extent offset by the appointment of members of the Commons. I should hope so.

In any event, in choosing the members for such a committee, I think it would have been a much better approach to have all senators present at a meeting at which their opinions could have been expressed on what kind of distribution would be best, and what particular senators might have been their choice. It might have been decided that there should be so many members from the Government side and so many from the Opposition side; it might have been decided that so many senators would be from the west and so many from the east, and so on. The various regions might then have had some voice in choosing their own representatives. Certainly, if this matter had been looked at before the names were presented to the house, I, for one, am convinced that there would not have been this kind of regional disparity in the distribution of members of the committee. It just does not make any sense. You cannot say that of all of the senators from western Canada there is only one who is capable or willing to sit on the committee. I should hope that this kind of mistake—and I am convinced it was a mistake—might be corrected.

I think that the representatives from Quebec would give sympathetic consideration to the needs of the people on the Prairies. The same applies to the representatives from Ontario. But I also think that if there are to be authentic voices on this committee, members who understand the economic life of the people in this area, there is no substitute for members of the Senate or members of the Commons who come from the area. I do not know what has been the practice in the past in this chamber, but I do feel—and if I am incorrect in this I hope I will be corrected—that there should have been a general discussion, which there was not, as to the composition of this committee. If the Government Leader in the Senate picked this list—because he is a member of the Cabinet who sits in the Cabinet with the Prime Minister—I think it is a mistake, because I do not think the members of this chamber to sit on this important Constitutional Committee should

be picked in the main by any one person or by a representative of the Government.

The Prime Minister has made it clear that he wants this committee to take a careful and unbiased look at the Constitution, and I would think that if this unbiased look is to be assured, appointments to the committee should not stem from the Cabinet itself or a member of the Cabinet, but rather, if we are going to practice and promote democracy, we should have a general discussion on the division of representation. Some allocation should be made to the various regional caucuses in the composition of members of this committee.

Honourable senators, I hope that nothing I have said will seem to criticize in any way the ability, the compassion, or the objectivity of the proposed members of this committee. However, I emphasize that an area such as western Canada which is entitled to representation by 24 senators should be entitled to more than one seat on the committee, and that 70 per cent of the membership should not represent the provinces of Quebec and Ontario.

If this committee composed of 10 senators and 20 members of the House of Commons is given the time and the research assistance required, it will do a good job for Canada. But I hope that before the committee begins its deliberations there will be some redress, some change in what I consider to be an inequitable regional apportionment of the membership.

Hon. Mr. Martin: That was a very good speech.

Hon. Donald Cameron: Honourable senators, at the outset let me say how pleased I am to see this resolution on the Order Paper. I have every confidence that the proposed deliberations will serve a very useful purpose.

I listened to Senator O'Leary with my usual attention, and as usual he has put his finger on some of the priorities which must not be forgotten in this chamber. There is no doubt whatever that the first responsibility of this chamber is the review of legislation. It has done an excellent job in the past in this sphere and will no doubt continue to do so in the future. Senator O'Leary, in referring to the number of committees, said that we have too many. I think it is certainly true to say today that the committee load is getting exceedingly heavy, so heavy that I fear that many of us cannot do as effective a job either in committee or in the house itself as we would like to do. One of the reasons why we cannot do as good a job as we would like to do stems from the fact that we do not have the resources or the staff which any business organization should have and which, more particularly, the Parliament of Canada should have.

There has been discussion over the years about giving members of Parliament—and in that term I include members of the Senate—adequate resources of staff to enable them to do the kind of job that is expected of them. So far these resources have not been forthcoming.

Honourable senators, in my view the establishment of this committee is a very wise step. I feel it is also wise to have it meet across Canada and thus give the ordinary people from one end of the country to the other an opportunity to participate in its hearings, to express their views and opinions and so get the message through to the sites of power in Ottawa. In this respect I must say to my friend the Leader of the Government, for whom I have the greatest respect, that I looked forward to the naming of the members of this committee with much interest. The one reservation which I had made mentally was that I hoped it would not be overloaded with lawyers. Now, that is no reflection on lawyers; they have a role to play and a vitally important role, but I want to emphasize that this constitutional problem is not only a legal problem. It is an economic problem; it is a sociological problem; it is a problem of communication and in particular it is an emotional problem. It is important that the citizens should feel that they have the opportunity of having their say to the people who are to formulate the new Constitution. With that one reservation I say to the honourable leader that I am delighted to see this resolution and I hope it will lead to fruitful results.

Honourable senators, if you look over the history of constitutional debate for the last number of years you will see that it has been in the hands of the legal officers of Parliament and of the Crown; you will also see that they have not been notably successful in finding practical solutions so far. We hope that this committee will be an exception to what has gone before. But, regardless of its composition, the idea of a joint committee of both houses of Parliament is an excellent one.

Referring to the geographical distribution of the committee, I realize the leader's difficulty in staffing a committee of this importance at this time, because many members of

the Senate are already heavily involved in other committees. This in turn raises the question about the number of vacancies in the Senate. Of course it is not my perogative to do anything about that situation, but certainly the time has come when, if the Senate is to mean anything, it is not right that the Province of British Columbia should have four vacancies—actually five, because a very distinguished member of this house from that province has not been here for the last year. I hope that something will be done soon about that situation because, as I have said, the load is getting very heavy for the senators who are here.

On the other hand, coming back to the geographical representation of the committee, let me say that I am old enough to remember the days of the Progressives in 1922.

Hon. Mr. Martin: You may be old enough, but that does not mean you are old.

Hon. Mr. Cameron: Thank you. In fact, my father was one of the supporters of that particular parliamentary group, and I remember the feeling when the Honourable Mr. Crerar, a very good friend of all of us and a highly respected Canadian, led the Progressives into the Mackenzie King Government. I remember the feeling of betrayal on the Prairies. There are many who have not forgiven Mr. Crerar to this day for what they considered a betrayal. I think that he made a great contribution to Canada and he is a man I admire greatly, although I have always felt that he spelled his kind of liberalism: c-o-n-s-e-r-v-a-t-i-v-e.

Today the situation on the Prairies, to which Senator Argue referred, is worse than it was in 1922. It is not a feeling of separatism but a feeling of disillusionment and dissatisfaction, and a sense of injustice. It would have been a tactical move in the right direction to have found some formula by which there could be more western representation on this committee. I realize the leader's difficulty in getting that kind of representation today because of the situation we find ourselves in, with 14 or 15 vacancies in the Senate, and the fact we have the heaviest load of committee work we have had in the history of the Senate. While I have some sympathy with what Senator O'Leary has said in this respect, I am delighted that the present Leader of the Government has seen fit to make it possible for all these committees to sit, because I think we have a role to play in this regard. At no time since I have been here—and that goes back to 1955—has the Senate been more effective than it is today, always remembering the limiting factor that many senators are overburdened at the present time.

Make no mistake about it, when you read in the press that the sale of one good crop or an increase of a cent or two in the price of oil or gas on the Prairies would settle the discontent, that is the most fallacious thinking that could possibly exist today. The root causes are much more serious than that. With my knowledge of the Prairies and of western Canada generally—and this goes back quite a long time—I have never seen anything that would compare with the sense of frustration and the sense of anger that is developing with respect to what is happening in Ottawa. Indeed, I say this, that if there were an election within the next six months there would not be one member of the Government reelected from the Prairie Provinces. That is a serious statement to make, but I know it is true; and, if you do not think it is, ask some of the sitting members.

This matter of how we grapple with the problems of the Constitution—the legal, economic, emotional and sociological problems—is one of the greatest challenges we have to face today. I extend to the members named to the committee my congratulations on their having the opportunity to tackle a major task for the benefit of this country, and my very best wishes for every success.

I hope the leader will keep in mind the fact that the situation is more touchy today than it has ever been, and anything he can do to make sure the western voice is heard, not only on this committee but on other committees, will stand him in good stead.

Hon. J. Campbell Haig: Honourable senators, ever since this resolution was first presented to this house it had been my intention to deal only with one aspect of it, but because the preceding speakers today have discussed certain other questions, I want to make my position clear.

I am not going to discuss the matter of secretarial and research assistance given us or our parties in this house. I do not think geographical location is any criterion for appointment to a committee. If a man comes from the west or the east or the central part and is capable of doing the job, that man should be appointed. I am in violent disagreement with Senator Cameron's remarks in con-

nection with the appointment of lawyers to this committee. If he will analyze the background of the 10 Senate members of this committee he will see that five—

Hon. Mr. Choquette: Six.

Hon. Mr. Haig: Six are members, and honoured members, of the legal profession.

What I want to discuss this afternoon is the provision in the motion to sit during sittings of the Senate. I raised this whole question back in December last year in connection with committees meeting simultaneously. Take yesterday as an example: Banking, Trade and Commerce met at 9 a.m.; Legal and Constitutional Affairs, at 11 a.m.; Science Policy, at 11 a.m.—and there was nothing in the afternoon. Today we will adjourn until Tuesday at 8 p.m. Why could we not sit, say, at 3 o'clock on Tuesday afternoon, maybe for an hour, and then adjourn until 8 p.m., so that senators from Toronto, Montreal, Quebec generally and intervening points could get here?

Hon. Mr. Martin: I wish we could do that.

Hon. Mr. Haig: I agree with the Government Leader. What I am saying is that this was discussed last December, that the chairmen of committees should get together and make full use of our time on Tuesdays, Wednesdays and Thursdays, but nothing happened.

In these days of computers and all the rest of it, why cannot we make full use of our time on Tuesdays, Wednesdays and Thursdays, and if special committees want to go tripping around the country, let them do so in their own time on Mondays, Fridays, Saturdays and Sundays. We are not making the best use of our time here on the other days.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Haig: For instance, we have the Banking, Trade and Commerce Committee meeting to discuss the White Paper. They have appointed their staff, and it is a very competent staff. They have received 200 briefs or more. That committee will sit on Wednesdays. Another committee says that their day is Thursday. Next week a certain special committee is sitting on Thursday. A standing committee of this house has advised us that they will be sitting next Thursday at 11 a.m. because they have asked a company or organization to send representatives to appear on that date. Where in the name of heaven is there any co-operation among these committees who invite outsiders—and I am not talking about government officials, but outsiders—to avoid this continual overlapping? Special committees could sit on Tuesday morning.

Hon. Mr. Flynn: They do.

Hon. Mr. Haig: Some of them do and some do not, but now we are adjourning until Tuesday at 8 p.m. In the past we have adjourned until Tuesday at 3 p.m., and sat for an hour and a half or two hours and then again at 8 p.m.

So, I am suggesting that the Government Leader, together with the Opposition Leader and the Whips and chairmen of committees, devise some method by which we can better use our time in transacting the business of the Senate.

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

The Senate adjourned until Tuesday, February 3, at 8 p.m.

THE SENATE

Tuesday, February 3, 1970

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

Prayers.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-9, to amend the Small Businesses Loans Act.

Bill read first time.

Hon. Paul Martin moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADA STUDENT LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-135, to amend the Canada Student Loans Act.

Bill read first time.

Hon. Paul Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

HIS HONOUR THE SPEAKER

RETURN TO CHAMBER

Hon. Paul Martin: I am sure I speak for all honourable senators in saying that we are very pleased to have His Honour back with us after a protracted visit to the Soviet Union, and also after his regrettable illness which detained him from duties in this chamber.

[*Translation*]

We are most happy to see you among us after this unfortunate illness which prevented you from taking part in our deliberations following your brief trip to the U.S.S.R.

[*English*]

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1969, pursuant to section 9 of the Department of Consumer and Corporate Affairs Act, chapter 16, Statutes of Canada, 1967-68.

Report on the Administration of the Fitness and Amateur Sport Act for the fiscal year ended March 31, 1969, pursuant to section 13 of the said Act, chapter 59, Statutes of Canada, 1960-61.

Report of the Department of Regional Economic Expansion for the fiscal year ended March 31, 1969, pursuant to section 40 of the Government Organization Act, 1969, chapter 28, Statutes of Canada, 1968-69.

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1970, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, as approved by Order in Council P.C. 1970-80, dated January 15, 1970.

PRIVATE BILL

BRUNNER CORPORATION (CANADA) LIMITED —FIRST READING

Hon. Daniel A. Lang presented Bill S-18, respecting Brunner Corporation (Canada) Limited.

Bill read first time.

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

Motion agreed to.

PAROLE ACT

BILL TO AMEND—FIRST READING

Hon. Paul Martin presented Bill S-19, to amend the Parole Act.

Bill read first time.

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

Motion agreed to.

TEXTILE LABELLING BILL

FIRST READING

Hon. Paul Martin presented Bill S-20, respecting the labelling, sale, importation and advertising of consumer textile articles.

Bill read first time.

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

Motion agreed to.

MASS MEDIA

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF SENATE

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(a), moved:

> That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, both inclusive, and that the committee have power to sit during sittings of the Senate for that period.

Hon. Keith Davey: Honourable senators, because I am mindful that on the last occasion permission to meet during sittings of the Senate for a two-week period was granted only on division, may I briefly elaborate on this request.

The Special Senate Committee on Mass Media has honestly striven to avoid meeting during sittings of the Senate. For example, we sat throughout the week of January 19, when the Senate was still in recess.

As you may realize, this hearings phase of our study was divided into five two-week periods. Two of those two-week periods have now been completed. There are three more two-week periods to come, one of them between February 10 and 19, which we are discussing this evening. Subsequently, we shall seek similar permission in connection with the two then remaining two-week periods which terminate on April 17, when our public hearings will end.

I should like to stress also that in those two-week periods when our committee does sit it meets all day Tuesday but not that evening when the Senate is sitting, all day Wednesday and in the evening, all day Thursday and in the evening, and usually it meets as well on Friday morning. In other words, any possible conflict would arise only on Wednesday and Thursday afternoons. In essence, we are talking tonight about two Wednesday and Thursday afternoons. Including all our subsequent requests until the end of our hearings, we will be talking about only six Wednesday and six Thursday afternoons. That includes the request we are making this evening.

I should add that our meetings over the two-week period that begins next week will embrace a discussion of the student press, the ethnic press, the business press, and consumer magazines. One of the highlights of that two-week period will be the appearance of the honourable Senator O'Leary on Tuesday, February 17. I mention this because I was in the chamber last week when Senator O'Leary expressed concern about the role and function of various Senate committees. I might add that I share his concern. Indeed, upon the completion of our study I may be able to add something useful to that discussion.

In concluding my remarks I should like to quote in part from an editorial which appeared in the *Toronto Daily Star* last Saturday:

> Something has already been accomplished by the Senate's special committee on the mass media. It has got the press of Canada talking about itself, defending itself, and even criticizing itself in ways that never seem to happen—openly, at any rate—during conventions of newspaper publishers, editors or unions.

The editorial concludes:

> We commend the committee for having started a process of criticism which will, hopefully, make the press more lively and responsive to the people without endangering its traditional freedoms.

I should add, perhaps, that many publishers have expressed the same sentiment before the committee, privately in conversation, and formally in written briefs.

Honourable senators, I earnestly hope that the Senate will accede to this request and grant us clearance.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Wednesday, February 4, at 2 o'clock in the afternoon.

I might say that a similar motion has been before the house on many previous occasions over the past few weeks. There seems to be a view held by senators and the public generally that it would be better if the Senate sat at 2 o'clock in the afternoon rather than at 3 o'clock.

As honourable senators know, under our rules the regular hour for sitting is three o'clock in the afternoon. During the recent review of the rules there was considerable discussion on this matter, and the decision was that we should sit at three o'clock daily. However, I repeat, since that time we have on several occasions sat at the earlier hour mainly because of requets from honourable senators, and I am wondering if it is not time to take another look at this rule. I would ask honourable senators to give this question some consideration and convey their wishes to Senator Molson, Chairman of the Standing Senate Committee on Standing Rules and Orders. I am sure that if he finds the majority of senators feel that our purposes would be better served by sitting at two o'clock rather than three o'clock he will take steps to see whether the rule can be changed. I ask honourable senators to convey their thoughts and wishes to the chairman of the committee.

Hon. Mr. Haig: Hear, hear.

Hon. Jacques Flynn: Honourable senators, I am not opposing the motion at this time. I have no objection to sitting at two o'clock on Thursday, or any other day, but the main reason that we usually meet at three o'clock on Wednesday is because very often a committee can complete its work between two and three o'clock. I might also mention that only a few days ago the group on this side of the house met in caucus, and we thought that between two and three o'clock Wednesday was the proper time for such a meeting. I think it is a good idea that this question be examined by the Standing Senate Committee on Standing Rules and Orders, but I suggest that there may be a good and valid reason for retaining the sitting time of three o'clock at least on Wednesdays.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PASSENGER SERVICE ON CERTAIN EASTERN TRAINS

Hon. Edgar Fournier inquired of the Government, pursuant to notice:

1. What was the gross revenue for the period from 1st October, 1968, to 1st October, 1969, of each of the following Canadian National passenger trains:

The *Chaleur*
The *Scotian*, and
The *Ocean Limited*?

2. What was the number of passengers carried by each of these trains for the above period?

3. What was the cost of operation per mile of each of these trains for the above period?

4. What was the number of passengers carried, eastward and westward, on the *Ocean Limited* from Moncton and intermediate stations to Joffre for the above period?

5. What is the official track mileage between Moncton and Joffre via Campbellton and between Moncton and Joffre via Edmunston?

Hon. Paul Martin: Answered.

(The answers follow)

The Canadian National Railways advise as follows:—

1. & 2. With reference to the statistics shown below, it is pointed out that the principal carryings of the three trains are for destinations along the South Shore of the St. Lawrence, Northeastern New Brunswick, Moncton and east. This is further exemplified by the figures given in reply to part 4 of the question. The number of passengers carried as shown hereunder are based on those leaving and arriving at Montreal.

	Gross Revenues	Number of Passengers
Chaleur	$ 3,372,380	149,996
Scotian	$ 2,814,185	114,452
Ocean	$ 4,804,257	171,895

3. In accordance with the recently issued costing order of the Canadian Transport Commission the average cost per mile per train is approximately $12.00.

4. The following figures are based on ticket lifts made for a sample low-traffic week (November 3-9, 1968) and a high-peak traffic week (July 6-12, 1969)

	November 3-9	July 6-12
Eastward	46	78
Westward	64	89

5. Moncton-Joffre via Campbellton 498.9 miles. Moncton-Joffre via Edmundston 457.7 miles.

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE— DEBATE CONTINUED

The Senate resumed from Thursday, January 29, the debate on the motion of Hon. Mr. Martin that the Senate do unite with the House of Commons in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

Hon. Allister Grosart: Honourable senators, the import and the importance of the motion before us is such that I have no doubt whatever that the members of the Senate who are appointed to this significant committee, to join with our colleagues in the other place, will be under no illusions about the very great weight of responsibility they will undertake for Canada, the Parliament of Canada and for the Senate itself.

To me, this proposal is another attempt to solve the twin problems of the distribution of responsibility and powers between the federal Government and the provinces, and allied therewith the methodology of amending the Constitution as necessary from time to time.

In my remarks I am referring particularly to the written Constitution, although I am fully aware that it is not entirely the Constitution of Canada as it stands at the moment. The written Constitution as it now exists consists of the British North America Acts, of certain acts of the federal Parliament, of acts of the United Kingdom and, although this is very often forgotten, of acts of provincial legislatures, enacted under head 1 of section 92 of the British North America Act.

It seems to me that it is part of the penalty we are paying for pioneering in this country in the business of self-government and federalism, more or less at the same time, that we find ourselves in the position today that our Constitution, the written Constitution, can be legally amended only by an act of the United Kingdom Parliament. Some of the other Commonwealth countries which developed later avoided this problem by providing for the amendment of their constitutions by domestic legislation.

It is perhaps not too much to say that the real reason for setting up this joint committee of the House of Commons and the Senate to review the Constitution of Canada is the very regrettable failure of the high hopes with which we were entertained just a few years ago, that the federal and provincial governments had at long last reached some kind of unanimity on the manner in which the Constitution might be, to use the current term, "repatriated". I am referring to the famous Fulton-Favreau Formula of 1964.

In view of the fact that the problem is still before us, it is interesting to recall the words used by the then Prime Minister, the Right Honourable Lester Pearson, in the introduction to the official version of the publication of the Fulton-Favreau Formula. Mr. Pearson said:

> The formula constitutes a refreshing demonstration that there is within Canada that degree of unity and that degree of capacity for the recognition of the views of others that are essential if this country is to continue as a great experiment in developing on a continental scale a nation based on dualism, on unity without uniformity.

Of course, the ink was hardly dry on those words before the hope for a refreshing demonstration became non-refreshing demonstrations because in 1964 Canadians generally were still unable to agree on a method even of amending or repatriating the Constitution. However, we are going to try again now.

In view of the interjection of my friend Senator Langlois the other evening, I am sure he will not mind my emphasizing that Mr. Pearson's very wise prediction was that it should be within the context of a nation based on dualism and on unity without uniformity. The objection I take to some remarks that were made is that they went back to the old semantic argument, deux nations—two nations—which seems to be an absurd and useless kind of discussion. I prefer Mr. Pearson's suggestion that there is a basis of dualism in this country. There is also a basis of ten provinces and a federal Government.

I think we are avoiding the central issue if we try to pretend that we are not dealing with a problem of dualism of culture, of language and of attitudes. It is my own view that this need not be an inhibiting factor in the development of a new Constitution for Canada.

I think it is a very wise provision that the joint committee will consult Canadians generally. I understand that it intends to move around the country.

Perhaps we can trace one of the main reasons for the long, long series of failures of the many conferences which have taken place

over the years, of the discussions in this Parliament, of the federal-provincial conferences, and of the federal-provincial meetings which have taken place, in the modern sense, from 1927 onwards.

The honourable Leader of the Government will remember—because he participated actively and well—the conferences of 1935-1936, 1950, 1960-1961, and 1964, to mention only the more formal ones. These conferences were not successful. The reason, it seems to me, is that too much stress was placed on the views of the constitutional lawyers and the political scientists, and not enough on the views of the average Canadian who, surely, is by now very tired of being told that techno-legal problems are enough to prevent us as Canadians from repatriating our Constitution and writing a Constitution which will meet whatever requirements we think are necessary today.

As we approach the problem, it seems to me there are at least three major ways of looking at the question and deciding what kind of Constitution we are to have in Canada. The first is to agree at the start that the marriage, in spite of its difficulties, is successful or, if not, that we are determined for the sake of our children and others to make it a success and keep it going. Let us agree at the start that this is the basic hypothesis of any discussions we might have—that we are going to stick together. There are some contrary views.

The second is to assume that we are all starting afresh, that we have ten provinces, all as independent as the original three provinces that agreed in Charlottetown in 1864 and in Quebec two years later on a formula, and that for this purpose the ten provinces are self-governing and independent. So we are looking at the whole problem afresh. We are now in the year 1970, and we say let us forget past history and ask ourselves, all ten provinces, what we should do. That approach would write out completely, for this particular moment, the whole concept of a federal Government. This might be an interesting start, since the provinces would then have to look at alternatives. For example, do we need a Confederation at all? Do we need one confederation? Do we need two, three or perhaps four confederations?

The third approach is to say that the marriage, with all its faults, has worked reasonably well over the years. This is the kind of thing married people sometimes say as the years go on: "We have lived together all these years; we have had our battles; we have had our arguments; but on the whole it has worked out pretty well. It seems to make sense to go on."

The suggestion really is that the Constitution has been working rather well for a hundred years, and perhaps with some updating revisions it could work well for another hundred. I am inclined to opt for the third alternative, because a completely new Constitution, which is sometimes suggested, offers many dangers. The recent evidence we have had of the viability of new constitutions in new nations around the world is not very heartening. Most of them have looked very good in theory. Some of them have been written by eminent constitutional lawyers. But many of them have broken down, and, as we have seen in the case of Lesotho just recently, broken down almost immediately. They have broken down, of course, on practical grounds.

This concept of a new Constitution is at odds with our political traditions. It is revolutionary rather than evolutionary. It will tend to be highly theoretic and academic and will be much too likely to suffer the fate of most of the new constitutions that have come into effect in recent years.

The distinguished Judge Haliburton, many years ago in expressing his views in the character of Sam Slick, made the very wise observation: "You can change constitutions forever but you cannot change men." I think the same objection applies to the idea of looking at this problem of co-existence as if it began this year. I think it is important for us to remember that we have had a hundred years experience with our present Constitution and its problems, and that the experience has not been altogether bad. Collectively, we have achieved the second or third highest standard of living in the world, and a federation which achieves that deserves some degree of credit.

It is true, as Senator Cameron and others have pointed out recently, we do have the real problem of redistributing that very high level of income. But, surely, in looking at the history of the achievements of the Constitution over the years, we would have to admit that it is rather better to have the problem of redividing a high level of income than to be worrying about a low level of income, a situation which could very well have developed in Canada.

We have to remember also that in spite of our many internal worries—which we seem

to keep expressing almost schizophrenically, about our search for a Canadian identity—nevertheless, with this experiment of a hundred years with our Constitution, we have made the name "Canada" around the world stand for something we can be proud of. Canada has achieved a respect that some nations, which have been at the nation-building business for a very long time, have not achieved quite as well.

We should remember also that one of the very remarkable things about this Constitution with which we have been living for more than a century is its remarkable flexibility. We talk of the difficulty of amending it. That seems to pose a great problem. Books have been written about it. But the fact of the matter is we have had on the federal side at least 22 amendments, and others as well from the provincial legislatures. It has been a flexible Constitution. It has not been that hard to amend.

The honourable Leader of the Government, who took a leading part in one of the major amendments, will, I think, agree with me that the amendment of 1949, which gave to Parliament the power of amending the Constitution within certain limits on matters dealing solely with the federal responsibility, was a very great achievement and was not very difficult to bring about.

We talk about the heavy financial demands at times of federal Government on national income. We tend at the same time to forget that the long-term trend has been rather the other way. The long-term trend has been that the demands of the provincial governments have been rising. That has not been a steady trend, for during the two world wars the demand of the federal Government on gross national income rose noticeably. But here again there has been a tremendous flexibility in the Constitution. There can be no argument about that. The provinces agreed that it was necessary under certain emergency conditions for the federal Government to spend more money and, therefore, for it to collect a larger share of the gross national income.

We talk also about roadblocks to progress in some of the built-in inhibitions in the Constitution. One often mentions the exclusive jurisdiction of the provinces in the field of education. We in the Science Policy Committee have heard a great deal about that. The fact of the matter is, of course, that nobody bothers at all about the exclusive power of the provinces—not even the Province of Quebec. The Province of Quebec has very gladly accepted the grants to universities so that today in the field of post-secondary education 50 per cent of the cost is paid by the federal Government. In the field of graduate education hundreds of millions of dollars a year are supplied by the federal Government under the disguise, the expedient, if you like, of research and development grants. But anybody who has listened to the evidence given to the Special Senate Committee on Science Policy will be fully aware that the universities are under no illusions as to the purpose of these grants. They have made it very clear that one of the main purposes of the grants is to upgrade the level of education at the post-graduate level.

This, perhaps, suggests another approach which strangely enough has not had very much attention in the past. Why do we not ask ourselves more often than we do why has this Constitution lasted 100 years? What are the reasons? What are its sound and enduring features? I think we all know that any first-year law student can tell us what is wrong with the Constitution, but from my reading it takes a much better analysis than I have seen recently to explain what is right with the Constitution. What are the built-in features that have made it work for so long? Perhaps before we start tearing the Constitution apart we should give very careful attention to the things that we are not going to tear apart. It would make a very good exercise. Perhaps the research director of the committee to be set up might be asked to set out the enduring things in this Constitution which we have had for 100 years—the things that make it work. Honourable senators, it has worked. We are still a nation. We hear rumbles of separatism, but we are still a nation and, with all respect to Senator Langlois, if there is an element of duality in it, it is not going to bother me a bit; I am not going to worry whether there is some special status here or there. What is important is that we remain a nation, and, honourable senators, I have no doubt that we are going to remain a nation.

I think one of the results of the deliberations of this committee will be to show us as Canadians how we can, should and must remain a nation. For that reason I think the semantic argument about the deux nations—the two nations—concept is not helpful. I am told that the word "nation" in French has a different connotation from that of the corresponding word "nation" in English. Frankly, honourable senators, to me it does not matter

very much. We are two peoples and two cultures. We could be ten, fifteen or maybe twenty peoples and cultures. If one of them happens to have a numerical value of perhaps 6 million people, in my view this is not the essence of the problem. I am convinced that we are going to stay together. I am also convinced that one of the results of the work done by this committee will be to show us all how we can work out the marriage without running to a marriage counsellor or, worse still, running to a divorce court.

This subject brings to my mind what the great Chinese philosopher Mencius said many years ago:

> Men must be decided on what they will *not* do, then they are able to act with vigour on the things they ought to do.

That perhaps brings up the one feature of the constitutional debate that has special significance for this chamber. I do not consider that this debate is the time for anybody to attempt to make a case for the future of the Senate. It is my own view that the Senate in the last few years has proven that it has a built-in, inherent ability to revive and reconstitute itself. I do not deny that we have faults that need to be corrected. We certainly need some help from the outside in the form of better attitudes on the part of both the appointer and the appointees as to the real nature of the responsibilities and the manpower requirements for meeting those responsibilities. Nevertheless, the institution itself is basically sound.

I think at times that if the Senate had functioned consistently over the years in terms of the function that was conceived for it in 1867 we should not today, perhaps, be worried about appointing ombudsmen; we should not be concerned about the problems of underprivileged minorities, and we might not even be arguing about provincial rights. Of course, honourable senators, there are well-known historical reasons why we have not, as a chamber, completely performed these functions, reasons which to me do not prove that the functions do not need to be performed, that we do not need in Canada somebody to stand up for minority groups, individual complaints or provincial rights. It has not been proven to me that the Senate itself cannot perform this important function.

It is rather significant that when you look over the proposals that have been made as a result of this long series of conferences, and I mention only those from 1927 on, that invariably the guarantees which the institution of the Senate represents are regarded in the formal presentations made as a result of these conferences as being, in effect, "entrenched". The case for the continuation of the Senate in the discussions that will be taking place before long, is certainly one in which we can expect some support from certain outside quarters and from certain provincial governments. But it is my view, honourable senators, that the case will have to be made by the representatives of the Senate and it will have to be a good case.

I understand that we have named ten senators to join with our twenty colleagues in the other place. I would like to suggest to the honourable Leader of the Government that we make an immediate start on presenting the case for the Senate by having these ten senators join together in discussion so that individually and collectively they will be fully cognizant of the case for the Senate. I will go no further than that. I am not suggesting that the ten senators see themselves as a bloc in this committee. Of course, they will deliberate as individuals to assess the evidence that comes before them, but the case for the Senate can and, I think must be made. It would be most unfortunate, regarding the evidence that will come before that committee, if the representatives of the Senate were not fully prepared to answer any comments, criticisms or suggestions that might arise.

In other words, I would suggest that among the many other important functions the representatives of this chamber will have to perform on this important committee, not the least, but not the greatest, will be to ensure that the case for the Senate of Canada is clearly understood by the committee and by Canadians generally.

Hon. Muriel McQ. Fergusson: Honourable senators, it had not been my intention to enter into this debate, although I am deeply interested in and have followed the reports of the meetings of federal and provincial authorities which have been considering whether or not there is any necessity to make changes in the B.N.A. Act to meet present-day situations. However, the statements made earlier in this debate by some senators, and notably by Senator Argue, have led me to feel that I would like to express my support for some of the arguments that have been brought forward.

Like Senator Argue, I am not at all critical of the individual senators whose names have

been suggested for membership of this committee. In fact, I have the greatest respect and admiration for each and every one of them, and I know that they are all most competent committee members. At the same time, I do object to the omission from this committee of geographical and other representation.

At the time of Confederation representation in the Senate was definitely based on territorial considerations and not on representation by population. In fact, New Brunswick would never have given her reluctant consent to enter into Confederation had she not been guaranteed that, no matter what population changes might occur which could and would change the representation in the House of Commons, the Province of New Brunswick would retain its representation in the Senate based on territory and not on the rise or fall of the population of the province. That is why some historians state that the Senate—which guaranteed that there would be adequate territorial representation in Parliament—was the price that had to be paid to ensure that New Brunswick would enter into Confederation in 1867. I presume the principle of territorial representation was intended to be carried into participation in the activities of the Senate, for how otherwise could that territorial representation be truly effective?

When a joint committee is to consider whether changes should be made to the Constitution which was set up at that time, it seems to me that New Brunswick—which was a member of the original group, although, as I have said, a reluctant one—should have representation on such a committee. I cannot see any reason why representatives from New Brunswick are excluded from the list of Senate members named to the committee.

Although, as far as I know, territorial representation was not included in the price that the Prairie Provinces and British Columbia demanded when they joined Confederation, nevertheless, the same principle of territorial representation applies to those provinces. I agree with Senator Argue that the appointment of only one senator from those four provinces to this important committee is unfair, and I say that it does violence to the principle of territorial representation.

Another objection I have to the motion of the honourable leader is that it does not provide for the appointment of any women from the Senate to this committee. The committee will be reviewing suggestions for constitutional change which have been put forward by the federal and provincial governments and, no doubt, the members will be considering many other proposals from other sources. The discussions will cover such matters as social rights, shared-cost programs, language rights, the distribution of powers between federal and provincial jurisdictions, regional disparity, relations between senior levels of government in the federal and provincial fields, and many other things that are equally important to men and women and concerning which many women in Canada have decided views. It is a well-known fact that over 50 per cent of voters in Canada are women, and I consider that recognition of this fact should have caused the leader to name at least one woman member of the Senate to this extremely important committee.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: Before closing, honourable senators, I would like to mention one area to which I trust some attention will be given by this proposed committee and which has not been referred to in debate in this house so far. I refer to our international relations and the difficulty Canada has, under our Constitution, of subscribing to and ratifying international agreements.

As honourable senators may recall, in 1935 the federal Government signed three I.L.O. conventions, the subject-matter of which was partly within federal and partly within provincial jurisdiction, but which came primarily under section 92(13) of the British North America Act in that it concerned property and civil rights, one of the matters assigned to the provinces. In that same year the legislation necessary to implement those conventions was enacted by the Parliament of Canada. Countries that are parties to such conventions have usually ratified them by passing the appropriate legislation. The statutes implementing those three I.L.O. conventions were, in 1937, declared by the Judicial Committee of the Privy Council to be *ultra vires* of the Parliament of Canada.

Since that time Canada has refrained at the United Nations and at the I.L.O. meetings from voting on resolutions, no matter how good in principle, which have to do with matters which under the British North America Act are assigned to the provinces, until there is assurance that all the provinces

are in agreement. This is a very cumbersome procedure, and in some cases—and the honourable Leader of the Government can tell me if I am exaggerating—the obtaining of that agreement actually takes years.

Many countries, particularly those with unitary governments, fail to understand, or make allowances for, Canada's difficulties in this regard. When the subject-matter of a resolution before an international meeting impinges on a matter over which the provinces have jurisdiction, Canadian spokesmen are put in the awkward position of being able only to commend its principle, having no power to vote on it or to sign it on behalf of Canada.

Honourable senators, it is not only people of other countries who ask why we cannot vote on or sign such resolutions. Canadian citizens have difficulty in understanding their country's position in this regard. I hope that this is a matter that will be studied by the proposed joint committee, and perhaps a less cumbersome method of procedure will be devised for Canada at international meetings.

On motion of Honourable Mr. Macdonald, debate adjourned.

RAILWAY ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. G. Percival Burchill moved the second reading of Bill C-11, to amend the Railway Act.

He said: Honourable senators, this is a very simple but important measure. It seeks to delete the provision in the Railway Act which exempts certain telecommunication services from the regulations of the Canadian Transport Commission.

As honourable senators know, the Canadian Transport Commission has the authority to regulate telegram and telegraph tolls of public utilities companies which are subject to the jurisdiction of Parliament. The tolls and services of companies under a provincial charter are regulated by provincial public utilities boards.

The Railway Act was amended in 1919 to confine the regulation of public utility companies to those services in respect of which a toll was charged to the public. Specifically exempted were certain other services which are leased to customers under contract, as opposed to regulated charges under public toll rates. At the time this amendment was adopted these contracted services consisted largely of contracts with brokers and newspapers, and were known as "private wire services".

Over the years, however, these exempted services have expanded, not only in quantity but in diversity. In addition to brokerage and stock market application, the traffic of television program material and the traffic of data into and between computers are all now included in what is known as the "private wire category".

As honourable senators realize, we live in a computer age. Computers will cover this country in the future and will be used for the distribution and switching of scientific, medical, educational, legal, accounting, and other categories of information and data.

In addition, the private wire category also includes networks for television distribution, Telex and TNX, air traffic control, voice circuits, and many other things.

This class of telecommunication services is increasing at a rate far greater than that of conventional telephone and telegraph services. While these services are outside the authority of the Canadian Transport Commission by reason of this exemption, I am advised that there is no such exemption in the case of provincial companies that are subject to the jurisdiction of provincial utilities boards.

The basic need for this amendment arises out of the difficulty in regulating a telecommunications company in respect to certain services, such as conventional telephone and telegraph services, while other services that are often jointly produced are not subject to control. It is difficult, if not impossible, to determine what is just and reasonable in one area of a company's services without knowing the relative profit realized on other services offered by the same company. The implication is, of course, that it is possible for a company to discriminate by applying certain charges to one group of customers while permitting another group to enjoy more favourable rates. Customers must be protected, not only from excessive charges but also from charges that may be used to subsidize other services offered by the same company. This is not to say that such discrimination does or necessarily will exist, but there is that possibility.

The other significant development that has convinced the Government that this legislation is necessary arises out of the explosive growth of the computer industry in Canada as well as in the rest of the modern world, and the consequent increase in the need for

telecommunication services into and between computers to accommodate the new industry. This has become a matter of great importance for the economic growth of this country, its social structure and our relations with our neighbours.

I feel that I have said enough in outlining the principles of this legislation to convince honourable senators that it is sound, constructive and in line with the future development of this country. There are other details about the bill on which honourable senators might like to have further information, and that will be readily obtainable from officials of the department who will be present before the committee if this bill is given second reading by the house. If the bill does receive second reading, I will be glad to move that it be referred to the Standing Senate Committee on Transport and Communications.

Hon. Rhéal Belisle: Honourable senators, in rising to participate in the discussion of this important bill, I wish to compliment very sincerely Senator Burchill for his excellent presentation of this technical bill. The accomplishment of what I consider a difficult job well done by a distinguished senator makes it much more difficult for a less experienced person to follow. Lacking his ability to skate on thin ice, I will do my best to remain standing on all the technicalities with which I have to deal.

Hon. Mr. Martin: There is a lot of ice in Sudbury.

Hon. Mr. Belisle: Honourable senators, when one notices how very little debate there was on this bill, C-11, in the other place one is led to assume that there must here be a case of a manifest need. The situation must be such, one is led to conclude, as to make a law of this nature an absolute requirement.

The bill, we are informed by the Minister of Communications, would merely extend the jurisdiction of the Canadian Transport Commission to cover the private wire services. As it stands, the C.T.C. regulates telephone and telegraph rates charged to the public, but not the rates for services where no charge is made to the public. These are usually referred to as private wire services, and they involve such things as Telex, TWX, cables, and similar services.

Two reasons are given for the proposed extension of the C.T.C.'s regulatory powers. First, the industry is growing rapidly, and even now its gross revenue is hundreds of millions of dollars a year. Secondly, the public networks are already regulated in the public interest. Therefore, there *is* no logical reason why the private networks should not similarly be regulated. From the point of view of consistency, it is true that if the public networks are to be regulated, so should the private. For these basic reasons, if for no other, most assuredly the bill should be approved and sent on for Royal Assent expeditiously.

However, if we take a closer look at this type of legislation we may discover something that will temper the wholehearted approval we were about to lavish on this seemingly innocuous bill. In presenting the bill the minister said that it is:

> designed to enable the commission to determine an equitable rate applicable to the private wires which intervene in computer communications with other services, and to make sure that all users of the private wire service will get equitable non-discriminatory treatment. Such an amendment will entitle the C.T.C. to examine the complete range of the activities carried out by the telecommunications companies falling under its jurisdiction.

What is involved here is yet another of those unabashed, unwarranted and unnecessary interferences on the part of a government in the workings of private enterprise. Hypocritically asserting that this is being done to protect the citizen from all sorts of disreputable corporate birds of prey, the various levels of government legislate in order that they may have the power necessary to control all these imaginary enemies of the little man. The consequent increase in their authority over the citizen should be an acute source of worry to those who value their freedom.

Regulation was formerly limited, by and large, to protective tariffs that restricted the supply of certain goods in order to benefit certain producers. Today the regulatory objectives of governments are broader and more far-reaching. Social engineers now aim at influencing the consumption of certain items, controlling various sectors of production and trade, and planning our economic system.

All this intervention on the part of the state is bound to have devastating results. The destruction of personal incentive is

almost assured. The taxes that aim at the roots of our individual enterprise system also spend and consume what generations have built and accumulated. Heavy death duties and highly progressive business and income taxes tend to consume accumulated capital, and thus severely limit future expansion. Business profits and losses are the signals of the free enterprise system. Taxes on profits interfere with these important signals. They weaken the signal of encouragement to a profitable business and confiscate the means needed for expansion. Thus, taxes frustrate the adjustment the market demands, destroying the dynamism of competitive enterprise, protecting inefficient operators at the expense of more capable competitors. The capitalist economy thus loses its characteristics of quick adaptability, managerial efficiency, and keen competition. The fundamental pillars of the free market are dangerously weakened by regulatory limitations placed on industries and by excessive taxes placed on the profits of those who are active producers in those industries.

In closing, I should like to repeat with regard to the proposed extension of power of the C.T.C., that unless this pronounced trend toward increased regulation of the daily conduct of business is halted, business will not long retain the necessary freedom of decision and the action to meet the challenges which lie directly ahead. If we sit by and permit the increasing encirclement of business by bureaucratic regulations, we cannot in all common sense continue to expect the fruits of a vitally-needed expanding economy.

We are involved here in applying pointless regulatory brakes to business in many important ways when we should be giving business more freedom. We are surrounded by seemingly numberless regulations of debatable need, uncertain effect, and arbitrary origin.

There is a danger that individual initiative will become swamped by government edict before enough people awake to the threat. In the words of John Stuart Mill,

> A state which dwarfs its men, in order that they may be more docile instruments in its hands—even for beneficial purposes—will find that with small men no great thing can be accomplished.

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

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, February 4, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

CEYLON

TWENTY-SECOND ANNIVERSARY OF INDEPENDENCE

Hon. Leopold Langlois: Honourable senators, notwithstanding Rule 44(2), I should like to ask leave to draw to the attention of the Senate the occasion of the 22nd anniversary of the independence of Ceylon.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Langlois: Honourable senators, as you will recall, last Wednesday I had occasion to describe briefly to this house the recent visit to Ceylon of the Canadian delegation to the Inter-Parliamentary Union Conference held in New Delhi from October 30 until November 7, 1969.

Today I have great pleasure in calling your attention to the 22nd anniversary of the independence of Ceylon. Indeed, today Ceylon is observing a public holiday to mark its independence. It was in 1948 that Ceylon obtained independence while remaining a member of the British Commonwealth. I should like to seize this opportunity to record briefly some of the facets and achievements of this free, young and progressive emerging nation.

Ceylon accepts Queen Elizabeth II as Queen of Ceylon and Head of the Commonwealth. Executive power is vested in the Cabinet whose Prime Minister is appointed by the Governor General. Parliament is bicameral, comprising a Senate of 30 members, of whom 15 are elected by the House of Representatives and 15 are nominated by the Governor General; and a House of Representatives, or lower house, of 157 members, 151 of whom are elected by universal suffrage and six are nominated.

The country is divided into 21 administrative districts, in charge of government agents appointed by the central government.

In 1947 Ceylon signed a mutual defence pact with the United Kingdom and this continues to operate. Ceylon is not a member of the South-East Asia Treaty Organization, commonly referred to as SEATO.

About one-third of Ceylon's national income is derived from the cultivation, processing and export of tea, rubber and coconuts; she is the world's second largest producer of black tea. Most of the tea and rubber is cultivated on estates, while coconuts are predominantly a smallholder's crop. Somewhat under half of the 52 per cent of the labour force officially classified in the agriculture sector are employed on estates. Domestic agriculture consists in the main of the cultivation of rice, the staple food, but imports of rice are still necessary.

The society of Ceylon is predominantly rural, with only about 15 per cent of the population living in towns, and a rapidly expanding population, concentrated in the south and south-west, has created heavy pressure on the densely populated zones.

The only commercially important mineral is graphite, although there are also deposits of iron ore, monazite, ilmenite sands, limestone, clay and kaolin. In the absence of coal and oil, Ceylon is developing her water resources, and the Maskeli Oya and Samanalawewa projects are expected to produce sufficient power to meet immediate domestic requirements. Manufacturing and handicraft industries have grown in importance and accounted for 12 per cent of the G.N.P. in 1967. These industries at present primarily supply the domestic market, and the three traditional primary products continue to account for over 90 per cent of total exports. The United Kingdom is Ceylon's principal trading partner, followed by the People's Republic of China, with which Ceylon has concluded a rice-rubber barter agreement.

The government sector extends over many branches of the economic activity. There are 15 state-sponsored industrial corporations, and insurance, some transport facilities and oil distribution have been nationalized.

Much of Ceylon is hilly and thickly wooded, and difficult of access by road and rail.

The railways are state-owned, with more than 1,000 miles of track. The state also runs the national bus service. Air Ceylon connects the main towns of the north and east to Colombo, and there are international services. I wish to point out in passing that Canada placed Ceylon on the world's jet map by the construction a few years ago of the Katu-

nayake airport near Colombo. The port of Colombo is one of the most important in the East.

There is an island network of hospitals, clinics and dispensaries where treatment is free. An institute for training and research in community development was set up in 1966. Rice, the staple food, is subsidized by the state.

Education is compulsory and free between the ages of five and fourteen. Eighty per cent of the children were in school in 1962. There are four universities, two of which are secular and two Buddhist, and many technical colleges.

As a stopping place for luxury cruises and by virtue of the spectacle of its Buddhist festivals, ancient monuments and natural scenery, Ceylon is one of Asia's most important tourist centres. Good motor roads connect Colombo to the main places of interest. In 1967 there were 23,666 visitors as tourists to Ceylon.

Honourable senators, I am particularly pleased to salute this friendly nation on the occasion of the anniversary of its independence. I am sure all honourable senators join with me in conveying to the government and people of Ceylon our congratulations for its achievements as one of the most progressive of all emerging nations of the world, and our best wishes for its continued prosperity and happiness as a truly independent nation.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, February 5, at 2 o'clock in the afternoon.

Motion agreed to.

The Hon. the Speaker (Hon. Mr. Deschatelets) left the Chair.

Hon. Maurice Bourget, in the Chair.

U.S.S.R.

VISIT BY DELEGATION FROM SENATE OF CANADA TO RUSSIA

Hon. Jean-Paul Deschatelets rose pursuant to notice:

> That he will call the attention of the Senate to the recent visit of a delegation from the Senate of Canada to the U.S.S.R. and their subsequent conversations with the leaders of the British House of Lords.

He said: Honourable senators, in May 1969 an official invitation addressed to the Speaker of the Senate was handed to me by His Excellency Mr. Miroshnichenko, Ambassador for the U.S.S.R. in Ottawa. It was signed by Mr. Spiridonov, Chairman of the Council of the Union of the Supreme Soviet of the U.S.S.R., and Mr. Paletzkis, Chairman of the Council of Nationalities of the Supreme Soviet. This invitation was also extended to a small group of honourable senators, and suggested that the visit take place at the end of 1969 or the beginning of 1970.

The last Canadian Parliamentary visit to the U.S.S.R. was in 1965, when delegates from both Houses of Parliament went to that country. The occasion of this last invitation was the first time on which a delegation composed of members of the Upper House exclusively had been invited. After consultation with the leaders on both sides of the Senate, the Minister for External Affairs and officials of his department, it was decided to make this visit in January 1970, during the Christmas recess, and that the following senators should join as delegates with the Speaker: honourable Senator Connolly, P.C., representing the Leader of the Government; honourable Senator Flynn, P.C., Leader of the Opposition; and the honourable Senator Aird, Chairman of the Standing Senate Committee on Foreign Affairs. A letter of presentation from the Minister of External Affairs for Canada, addressed to his counterpart in the U.S.S.R., Mr. Gromyko, was given to the delegation as official recognition by the Canadian Government.

On behalf of the delegation, I wish first of all to thank His Excellency the Ambassador of the U.S.S.R. in Ottawa, his counsellor, Mr. S. A. Boukine, and the First Secretary, Mr. A. Makarov, for their assistance and co-operation at the several meetings held to prepare the agenda of this visit. During the visit our delegation had the privilege of meeting with the most important leaders in the U.S.S.R.

Also, on behalf of the delegation, I wish to express to the officials of the Department of External Affairs and to the officials of the Department of Trade and Commerce our gratitude for the time they spent with us on various occasions in preparation and briefing for this important trip. I have been a member of many parliamentary delegations in the past years, but very seldom has a delegation been

more fully or better briefed to discuss with high-ranking Soviet ministers and deputy ministers such topics as trade, scientific and cultural exchanges, peace, European security and other matters of common interest.

Honourable senators, the fact that this delegation was composed of two English-speaking and two French-speaking senators was purely accidental; nevertheless, it reflected well the bicultural character of Canada, a fact we never failed to emphasize in the course of our discussions abroad. The presence of the Leader of the Opposition as a member of this delegation is another aspect of our system of Government that surely did not pass unnoticed.

Honourable senators, after a stay of only ten days in the largest country of the world—largest in terms of area, being twice the size of Canada—I do not find it an easy task to give in a brief report a comprehensive summary of what we saw and heard during our travels. The delegates thought it advisable, therefore, in order to avoid repetition and to rationalize these reports, that I should in this first report to you give an outline of the agenda of our visit. This is something that ought to be done in all fairness to our hosts and to their warm hospitality in every city we visited. That having been done, my fellow colleagues will be more at ease later in this debate to deal with matters of great interest to the Senate, such as the exchanges of views with the Soviet leaders and other political aspects, as well as personal impressions they feel would be of interest for them to report.

On our way to Moscow we were the guests of His Excellency Mr. C. S. A. Ritchie, Canadian High Commissioner to London. I should like to express to him and to his charming wife our thanks and appreciation for their warm and friendly reception at the Canadian Embassy.

We arrived in Moscow late in the afternoon of Monday, January 12, and were greeted at the airport by a group of Soviet officials headed by Mr. Paletskis, one of the chairmen of the chambers of the U.S.S.R. Supreme Soviet. Also at the airport to greet us was one of Canada's most distinguished and capable ambassadors abroad, and as well an expert on Russian affairs, His Excellency, Mr. R. A. D. Ford. Words cannot express the gratitude we owe him and Mrs. Ford for their hospitality on many occasions at the Canadian Embassy in Moscow. Without Mr. Ford's relentless efforts on our behalf the trip could not have been the success it was.

[Hon. Mr. Deschatelets.]

We cannot refrain from also praising the excellent assistance of Miss Elizabeth Hesketh, Second Secretary at the Embassy in Moscow. Miss Hesketh speaks French, English and Russian fluently and assisted us throughout our trip in the U.S.S.R., at every meeting and every visit prepared for us.

On Tuesday morning, January 13, we had our first important meeting at the Kremlin with both officials who had invited us, Mr. Spirodonov and Mr. Paletzkis, accompanied by a group of officials. A tour of the Kremlin was organized during the afternoon, including a visit to the Diamond Fund and the Armoury, a portion of the treasures of the old regime and also a visit to the Lenin Memorial Flat in the Kremlin where the Soviet leader resided after leaving the former capital St. Petersburg, which afterwards became known as Leningrad.

It is not possible to describe the magnificent Kremlin and I shall not attempt to do so. It may be of some interest to mention here that most of the historical palaces and mansions of the old regime have been kept and restored and are now being used by the Soviets for governmental purposes.

On most evenings during our stay in Leningrad, Moscow and Kiev we were invited to attend various ballet and musical presentations. In this respect I have only one comment to make—I am still under the charm of those outstanding performances.

On Wednesday, January 14, we had another interesting meeting with a group of members of the foreign affairs committee of the chambers of the U.S.S.R. Supreme Soviet. My colleague will give you an account of that meeting and of the well-known personalities from the Soviet side who took part in that discussion.

I must inform honourable senators that it was agreed between ourselves when we left Canada that the responsibility of launching the discussion on the Canadian side at the different meetings was to be shared by all members of the delegation, and since my colleagues will no doubt remain silent about their participation and the merit that should be accorded them—and you know them as well as I do—I am very proud indeed to report to you that they discharged their responsibilities in a manner that brings credit to the Senate and to Canada.

On Wednesday afternoon we had a lengthy and very useful discussion, I am convinced, with a group of senior officials in charge of hockey activities in the U.S.S.R., Messrs.

Ivonin, Mossolov and Starovoitov. I must say that in Moscow, as in Canada before we left, a great deal of interest has been aroused following the withdrawal of the Canadian hockey team from the 1970 tournament which was to have been held in Montreal and Winnipeg.

We believe that our discussions with them have helped to clear up certain misunderstandings. Here again I must stress the fact that before we left Canada, knowing that this was a matter of mutual interest between the two countries, we were very thoroughly briefed on the problems involved in these hockey discussions. I wish to state also that at the start of the meeting we made it perfectly clear that the four Canadian delegates were endorsing 100 per cent the stand taken by the Canadian hockey organization in its decision to withdraw from the 1970 tournament. Nevertheless, the Russian officials expressed the hope that until the matters affecting professionalism have been cleared by the Olympic Hockey Organization that it should be possible for Canada and Russia to play exhibition games in 1971, whether in Canada or in Russia.

On Wednesday evening, January 14, we left Moscow by train for Leningrad where we were met at the station on Thursday morning by the Deputy Mayor, Mr. M. E. Togolev. At 11 o'clock we had a lengthy meeting with the mayor of Leningrad, Mr. A. A. Sizov, a hero of the last war, his deputy mayor and other members of the Supreme Soviet. We were told, of course, of the incredible siege of Leningrad by the Germans, which lasted 900 days and was probably the longest in history. In the afternoon we were shown a documentary film entitled "The Feat of Leningrad—900 Days of Suffering, Heroism and Death", a film which left us almost speechless. Later, in memory of the two million men, women and children who died during the siege, we visited the memorial cemetery of Piskarewskoye where we laid a wreath in the name of Canada on the tomb of the unknown soldier.

Leningrad has recovered from nearly total destruction, and is now probably one of the loveliest cities in the U.S.S.R. As a matter of interest, the city is keeping in its records an invitation card addressed by Der Fuehrer Adolf Hitler to a group of distinguished guests to celebrate the capture of Leningrad in the very hotel where we were located during our stay in that city. Needless to say, the celebrations never materialized.

My colleagues will no doubt wish to comment on a very informative and interesting visit we made to the Arctic and Antarctic Institute of the U.S.S.R. Academy of Sciences, a visit which reminds us that Russia is our immediate neighbour to the north. We could not fail to be impressed by the magnitude of the installations and research done by the Soviets in this part of the world. The City of Leningrad, having been mostly destroyed during the siege, has a program of housing construction underway and we visited a prefabricated house-building factory, details of which may be given to you in the course of this debate. It is interesting to mention in passing that until the construction program meets the demand, it is not possible for a citizen of the U.S.S.R. to move into the City of Leningrad without a permit from the authorities.

Another visit of interest in Leningrad, perhaps the most interesting from a tourist point of view, was to the Hermitage. Before my visit to the U.S.S.R. I had often heard of this incredible museum. Though we had only a glance at it for a few hours, it was enough for us to appreciate that it ranks, at least in area and the variety of its treasures and exhibits, with the greatest museums in the world.

On Friday evening, January 16, we left Leningrad for Kiev, the capital of the Ukrainian Republic, where we landed late in the evening to be greeted by Mr. S. O. Stetzensko, First Deputy Chairman of the Presidium.

On Saturday morning we had a lengthy but interesting meeting with our host, accompanied by officials of the presidium. We praised the tremendous contribution of Canadians of Ukrainian descent in every walk of Canadian life; we praised also the fact that in Canada there is no melting pot of nations but, rather, a mosaic in which each ethnic group is encouraged to retain and develop its cultural traditions.

We had an absorbing sightseeing tour of Kiev, with its historical museums, and the visit to the Ukrainian Scientific Research Institute of the super-hard material and instruments deserves to be explained in a further report by one of my colleagues.

We saw in the Ukrainian Republic one of the most amazing performances at the Shevchenko Opera and Ballet theatre, which reflects only one facet of the importance given in this country to culture and the arts.

On Sunday, January 18 we left for Yerevan, the capital of the Armenian Republic.

Our visit to this, the oldest city in the world, dating back 2,750 years, would take many hours to describe.

The Armenians were victims of genocide in 1915, perpetrated by the Germans and the Turks, and more than one million were killed or had to leave their country, scattering all around the world. Since the last war they have been returning in force to their old country, and Yerevan is now a centre of scientific research and one of the most progressive republics in the U.S.S.R.

A visit to the Matenadaran Institute permits one to see the most ancient manuscripts in the world. We also visited one of the oldest cathedrals in the world, a church as well as a museum, built in the fourth century, where the head of the Orthodox Church, His Holiness Vasgen I, resides. We were accorded the privilege of a very warm reception at his residence and this, no doubt, was one of the highlights of our visit in Yerevan.

The meeting we had in Yerevan with the Chairman of the Supreme Soviet of the Armenian SSR will no doubt be commented upon by one of my colleagues. The only remark I wish to make about this leader is that he was one of the most impressive personalities we met in the course of our meetings.

We left Yerevan on Tuesday, January 20, for Moscow where during the last day of our stay in the U.S.S.R. we were to have the most important meeting of this trip. January 20 was my last day of activity before I was forced to take to my bed with bronchitis and a high fever. The last meeting I attended was with the Minister of Culture of the U.S.S.R., Mrs. E. A. Furtseva. I do not have the time here to report on this meeting, but honourable senators will permit me to mention that, as far as I remember, she is not only a very talented minister but also a very charming lady; and, in all fairness to Mrs. Furtseva, I must say that she was in no way responsible for the fever which struck me down after meeting with her.

Hon. Senators: Hear, hear.

Hon. Mr. Deschatelets: While I was confined to bed in Moscow my colleagues had the privilege—and when I say "privilege" I mean just that—of accepting an invitation to talk with the top-ranking leaders in the U.S.S.R. I shall mention a few names, and no doubt my colleagues will go into the detail of these meetings. There was Mr. Gromyko, the Minister of Foreign Affairs; Mr. Kuzmin, the Deputy Minister of Foreign Trade, Science and Technology; Mr. Tikhomirov, the Committee Vice-Chairman; Mr. Polyansky, the First Deputy Prime Minister; and the Acting President, Mr. Lyashko.

These meetings extended well beyond the usual limited parliamentary circles, and in most embassies in Moscow the hospitality and welcome given the Canadian delegation was exceptional, and was surely intended to underline the importance the U.S.S.R. attaches to the development of good relations with Canada.

I was absent, of course, from the talks in Moscow during the last days of the trip, but I have nothing but praise for my three colleagues, the honourable Senators Connolly (Ottawa West), Flynn, and Aird for their magnificent efforts in making this goodwill mission a complete success. They had the opportunity of exploring at the highest level the Soviet thinking in several fields, particularly those of trade, scientific and cultural exchanges, peace moves, and European security. It will be most interesting to hear from them on these issues.

At the farewell dinner in Moscow, Senator Connolly, on behalf of the Canadian Government, extended to officials of the U.S.S.R. an official invitation to visit Canada. And we hope that this visit will take place in the coming year.

We left Moscow on Friday, January 23, for London. Fortunately, I was in sufficiently good health to leave with my colleagues. Before turning the page on Moscow may I be permitted, on behalf of my colleagues, to express to the group of important officials of the U.S.S.R. who accompanied us during the whole trip a word of appreciation for their assistance.

[*Translation*]

Throughout the trip, and at every moment, they were most obliging.

[*English*]

Throughout the ten days we lived with them from morning until late in the evening. When we left the airport we had the feeling that we were leaving behind us people who had become sincere friends of ourselves and of Canada. I would like, therefore, to place their names in the record. They are Mr. and Mrs. Koshevniksov—Mr. Koshevniksov, by the way, is one of Russia's greatest writers today—Mr. Vladislov Trapeznikov, Mr. Doilmitzin and Mr. Sventsadse. I must mention

also the interpreters who were on the job during the entire trip, and who often had to perform the difficult task of translating our conversation while eating.

Honourable senators, I want to impress upon you the importance placed upon this trip by all the foreign embassies in Moscow, and by our friends in Great Britain.

Upon our return to London we were invited by the Lord Chancellor, the Right Honourable Lord Gardiner, to a meeting and dinner on Monday, January 26, with a group of important parliamentarians of both houses of Parliament, which included Lord Shackleton, Lord Privy Seal and the Leader of the House; Sir David Stephens, Clerk of the Parliaments; Sir Denis Dobson, Permanent Secretary to the Lord Chancellor; Sir Alec Douglas-Home, former Prime Minister of Great Britain; Lord Byers, O.B.E.; the Right Honourable Arthur Bottomley, O.B.E.; and Mr. Bryant Irvine, M.P. for a Sussex division, who, by the way, was born in Toronto. They were most anxious to learn of our impressions of this trip, and we were grateful to Lord Gardiner for this opportunity to meet with such outstanding parliamentarians of the Commonwealth.

Honourable senators, I cannot resume my seat without again mentioning the outstanding performance during this trip of my three honourable colleagues, who before and during Christmas recess devoted much time to personal research and homework so as to be well prepared for these discussions.

Lastly, may I say a word about the wives. I must say in all frankness that over the years I was one who was reluctant to have wives accompany parliamentarians abroad. I do not know if I am getting old, but I must confess that today I have changed my mind. They were officially invited by His Excellency the Russian Ambassador in Ottawa, and if ever there was a delegation when the wives should accompany their husbands, in my opinion it was this delegation. A special program of activities was organized on their behalf. They represented well the charm, simplicity and glamour of Canadian women and should share in the credit to Canada arising out of the success of this trip.

As to my personal impressions, it is evident that basic and fundamental ideological differences exist between our two countries, but I am of the opinion that time is working slowly but surely towards a reduction of this ideological gap between us. I would think that through continued exchanges and dialogue we can work for a better understanding, to the benefit not only our two countries but the peace of the world.

The Hon. the Speaker resumed the Chair.

Hon. John J. Connolly: Honourable senators, I should like to be very closely associated with everything that honourable Senator Deschatelets has said, especially his references to the people we visited in Moscow and the other parts of the Soviet Union, and to the very great contribution made to the work we had to undertake by the ladies who accompanied their husbands.

After honourable Senator Deschatelets' most impressive performance this afternoon I rather think the Senate has come to the conclusion that while it has gained a good Speaker it has lost a very impressive orator and a very impressive parliamentarian. It was a pleasure, and indeed an honour, for all of us to have been led by Senator Deschatelets on the important mission which he outlined today.

There is bound to be a certain amount of overlap in the reports that are made, but I hope I can keep mine to a minimum. I think the first question we all asked ourselves was, "How significant is this visit for Canada?" We severally came to the conclusion that we should take it very seriously, at its face value, for the purpose of opening a dialogue in sincerity between the two countries and their leaders, and that for our part we should go there to learn what we could, to seek co-operation in areas where co-operation was possible, with the ultimate objective of promoting peace in our time and peace for all time in the world.

How significant was this visit for the U.S.S.R.? I think Mr. Speaker has already indicated that. We saw four ministers, we met the Committee on Foreign Affairs, the Committee on Science and Technology, the Deputy Minister of Trade and five of his officials, and we had discussions with the Hockey Federation. In all of these meetings there was, as Senator Deschatelets said, a warmth, a friendship and a sense of hospitality extended. I would not wish honourable senators to think for a moment that there were not some very hard facts put into the agenda and discussed at length.

I would say, in the second place, that if the earlier parliamentary visit was a beginning, our visit was in a way a continuation of the kind of relationships which we must have with the U.S.S.R.

As the honourable the Speaker has indicated, our program was very diversified and the

travel was exhausting. As he indicated, we visited three of the fifteen republics. Leningrad, Kiev and Yerevan were the three stopping places. He indicated, too, that we saw the chairman and deputy chairman of the Supreme Soviet of each one of the republics. We had not short perfunctory discussions but long hours of talk in each case. We found the men with whom we were talking, and particularly the chairmen, able and impressive in their command and knowledge of the territories for which they had responsibility.

I do not intend to repeat those remarks which the honourable the Speaker has made about Leningrad. It is a beautiful city. Called the Venice of the North, it is the old historic capital established by Peter the Great; and, frankly, I am glad that I visited it in winter.

I will pass over, too, the visit which was made to the memorial cemetery which enshrines the heroism of the people of Leningrad during the 900-day siege. I will pass over the visit to the fabulous Hermitage, except to say that I hope that in future exchanges between Canada and the U.S.S.R., they will show some of the great masterpieces which are part of the fabric of their history, when they send pictures here. The very existence of the Hermitage indicates the interest of the Russian people through the centuries in great art.

I shall not discuss the visit we made to the prefabricated housing plants, but I wish to indicate that a housing problem of very gigantic proportions confronts the Russian authorities and they are coping with it as earnestly as they can.

I should, however, like to mention our visit to the Arctic Institute, which was supervised and led by Dr. Alex Balakshin. He spoke of the exchanges between Canada and U.S.S.R. in relation to the development of the northern parts of North America on the one hand and Europe and Asia on the other. We have much to learn from the Russian experience there. They have cities—great cities, industrial cities, built in the north, built on the permafrost. They have pipelines, mineral explorations meteorological works, not only on land but floating on the sea. They have navigational problems. They have a coastline of 11,000 miles which is navigable, and only 3,000 of those miles are icebound. They were very interested in the *Manhattan* project. They talked about the visit a few years ago of the Honourable Arthur Laing and his associates when he was Minister of Northern Affairs. They were very glad that he had gone into Siberia to see some of the development there. It made us feel that it would have been beneficial if we had had the time and the opportunity to do likewise. Perhaps another Canadian delegation will do so.

As the Honourable the Speaker has said, we were in Kiev, the capital of the Ukraine. The Ukraine, as everyone knows, is the breadbasket of Europe, but it is also a great industrial area. As Mr. Speaker said, we talked much about the Ukrainian community in Canada and the strength it gave to the institutions which Canada is developing.

I should particularly mention the fact that we said one of our colleagues, Senator Yuzyk, was one of the distinguished members of the Ukrainian community in Canada and a great scholar; and that we have had others, including the late Senator John Hnatyshyn and the late Senator William Wall. We told them, too, of the Ukrainian contribution to other parts of the public sector in Canada, in the courts, on the Bench, in business and in the universities. We did not fail for a moment to impress upon them the warmth and the attachment of the Ukrainian Canadians to their fatherland and indeed to the philosophy and the poetry which has been expressed by their two great men, particularly Shevchenko and Franko. We then visited Yerevan, in Armenia, which claims to be the oldest city in the world. Probably, at 2,700 years of age, it is not as old as Jerusalem or Damascus or some other cities. It lies in the shadow of Mount Ararat, where it is said the Ark of Noah rested after the Deluge. It could well be the cradle of the reborn human race.

At the Matenadaran, as Mr. Speaker, said, we saw the earliest title deeds of civilization, both pre-Christian and Christian. We saw the same repeated at the Armenian Orthodox cathedral Echmiadzin, where below the main altar of the orthodox church, the archeologists have uncovered a firepot which was the altar of a pagan church built upon the same site in pre-Christian days.

Our visit to the Catholicus, His Holiness Vasgen I, as Mr. Speaker has said, was an impressive experience. I think the problems he has will become clearer if I say to you that the population of Armenia is about two and one-third millions and the Catholicus, the head of the orthodox church there, has no more than about 150 clergy to service those people in his work.

There will be much heard from the archeologists in the years to come about Armenia. Interest in archaeology in that

country has been very great for many years, but there is still very much to do.

The thing that strikes one about Yerevan, and perhaps about Armenia generally, is that it is a place of great contrasts. It has its very ancient archaeological aspect and yet centered in that town is a university, a technical school, a centre where they manufacture computers, and an industry where they manufacture precision instruments. No matter where you go in the city—and the city is built on more hills than is Rome—everywhere the horizon is cluttered with cranes, indicating a rebuilding of the city and an expansion of the city. Practically every street is torn up, indicating that modern services of water, sewerage and power are being installed.

Honourable senators, I repeat these items that have been already mentioned by Mr. Speaker because I think they are part, if only a very small part, of a mosaic of a giant country that has great economic potential.

Mr. Poliansky said to us that Canada's natural wealth is second only to Russia's and that Russia stands No. 1 in this field. It is a country, too, of great military might, and it is a country of impressive space achievements. But I think if I were asked what the outstanding general impression was that I carried away with me, I would have to say that it is politically very much of a monolithic society. True, there is racial and linguistic diversity far beyond the racial and linguistic diversity we have in this country. But it was quite evident to me that the Supreme Soviets in the states that we visited are very closely tied in with the Supreme Soviet of the U.S.S.R. The power of that country—and this is no news to honourable senators—is in the Presidium of the Supreme Soviet in Moscow, of which Mr. Podgorny is the Head of State and Mr. Kosygin is the Prime Minister, and, undoubtedly, in the Politburo in which Mr. Brezhnev is the Secretary.

Certain delegations of power and responsibility have been granted by the central authority to the Supreme Soviets of the 15 Republics, but I would say that the nerve centre is undoubtedly the Kremlin. There policy is set in the field of international affairs, in matters dealing with war and peace, in matters dealing with economics, with culture, with science, and with technology. And, symbolic of it all, there, too, in the Kremlin, is the tomb of Lenin, where every day that it is opened—and that is nearly every day of the week—literally thousands of people line the streets for three or four blocks, four abreast, to visit the tomb. It is particularly noticeable that the influence of Lenin is very deep in this country this year when they are celebrating the 100th anniversary of his birth. One may disagree profoundly with the philosophy and indeed with the methods of the U.S.S.R., but one must recognize, and the world is confronted with the fact, that this country is only 50 years old, and, although 24 of those years, so they claim, have been wasted in war, nevertheless it is still a viable, powerful country.

In Moscow, as Mr. Speaker has said, we saw Mr. Liashko, the Vice-President of the Supreme Soviet. He is also Chairman of the Supreme Soviet of the Ukraine. He was deputizing for Mr. Kosygin who was absent. Our visit with him was a protocol visit, but it was a very friendly one.

On the last evening, when they entertained the Canadian delegation at dinner in the Kremlin, Mr. Liashko did us the honour of attending.

As Mr. Speaker has said, we had discussions with Mr. Gromyko, Mr. Poliansky and Madame Furtseva. I consider it a compliment to Canada and to the importance that the authorities in Russia attach to Canada that four important ministers welcomed us to their offices. Perhaps honourable senators would be interested to know that each of these interviews occupied about two hours; some were longer. I must say that there was no reluctance on their part to discuss any issue that was raised.

I should like to devote myself particularly to the problem of war and peace, as the discussion emerged in these various interviews. First of all I should like to say that all of them attach great importance to the proposed conference on what they describe as European security, and to which we continually referred as the problem of disarmament in Europe.

Mr. Gromyko spoke on this at length. Mr. Poliansky said that it had the highest priority. Mr. Spirodonov and Mr. Paletzkis, to whom Mr. Speaker has referred, at a meeting of the foreign affairs committee also gave it great stress. One of the members of that committee, Mr. Yuzi Zhukov, a former correspondent in Paris for *Izvestia* talked with some knowledge of the problems of Europe and, incidentally, also of the problems of the developing world. On the developing world, the aspect which he touched was done in a manner that would commend itself to Canadians in respect to the problem of aid.

All three ministers who discussed the problem of European disarmament said that the agenda for the conference should be realistic; it should not be overburdened. As Mr. Gromyko said, it should not be doomed before it starts by having too much in it.

Mr. Poliansky said his view was that the conference should be approached with a businesslike attitude.

The question we asked was who the participants in their view should be, and they immediately said, of course, the NATO countries, the Warsaw Pact countries and the neutrals. I remember Senator Aird asking what response had been received from the neutrals about the conference, and Mr. Gromyko said that already the replies were positive; there were no negative replies, but that the neutrals did not like to see a block approach at this conference. Mr. Gromyko also talked about the American position and attitude towards the conference, and he expressed the hope that the United States would respond positively. He said that he felt that the Warsaw Pact countries hoped that the United States would participate fully. He asked us if we had any information as to why the United States appeared to be reluctant. We had to say to him, as we had to say on one or two other occasions, that we could not speak for the United States.

Opinions have been expressed about this conference, and the question has been asked whether it is designed to assure the Kremlin's suzerainty in central and eastern Europe. Mr. Gromyko on this point, although it was not put to him quite that way, emphasized that at this conference the U.S.S.R. was not seeking political dividends; it was seeking only to reduce tensions in Europe and in the world, and that he wanted this fact known. He also expressed the view that Canada should participate fully.

He expressed pleasure also in the fact that a Canadian foreign policy had been emerging over the years which was independent and positive. Mr. Poliansky on this subject was rather interesting. He said that Canada must take its place in the international community. He said further that the weight and importance of Canadian foreign policy was continually increasing, and he thought that Canada could do much at the proposed conference. That was the view expressed on the Russian side of the table.

In response our delegation indicated that Canada was anxious to see disarmament achieved at the earliest possible moment, that Canada would also do all it could to assist in this work and, it necessary, would become an honest broker in respect of the work as between the big powers. I should interject here that when that aspect of the discussion was mentioned, Mr. Poliansky disagreed and said that Canada should not be attempting to mediate but should be leading in giving a positive thrust to the work that was being done. However, honourable senators, we did say that, without minimizing Canada's role or France's role or the role of the United Kingdom, ultimately the problem of disarmament in Europe depends upon the two giants who are involved, namely, the United States and the U.S.S.R. We said that in our view disarmament involved a phased reduction in atomic and conventional weapons and troops, that this should take place over a specified period, and that there should be mutual inspection inspired by mutual confidence. We reminded him, as we reminded ourselves and as I now remind the Senate, that we live today not in a capitalist world or in a communist world but in a nuclear world. We said more than once to the leaders in the U.S.S.R. whom we had the privilege to meet, that the giants in the power-field have first of all the great responsibility for war or peace, but that they also have the great opportunity. One of their greatest atomic scientists, Andrey Sakharov has said that "unless the great nations act promptly and together, there will be no future."

We told these gentlemen that Canada and other countries of our size view with alarm the build-up on both the Warsaw Pact and the NATO sides of Europe, and that at times we feel like helpless spectators who are wondering how close to the brink the world is going to go. We said that we doubted that a nation of twenty million people, without goodwill on the part of the great powers, could seriously influence the foreign policy in respect of war or peace of the 220 million people who live to our south or the 230 million people who live to our north, especially when both of them are atomic powers.

I should say also, honourable senators, that we did not hesitate to raise the question of Hungary and of Czechoslovakia and to say that Canadians viewed the crises in those two countries with very deep concern. We also said that we viewed with alarm the build-up of power in the Mediterranean, in the Middle East and in the Far East.

On the question of Czechoslovakia, when this point was raised with Madame Furtseva,

she replied with candour and, indeed, with indignation. This indignation was not directed towards Canada, but she was quite emotional about the fact that the U.S.S.R. had suffered too much in war to allow its security to be imperilled by something which might happen in Czechoslovakia. To this we replied that the Canadian attachment to free institutions led us to believe that their preservation lessens tensions and increases security even on the flanks or in the buffer states, and that the aphorism that "might is right" is not an objective aphorism. I very much doubt that Madame Furtseva was convinced by what we said.

The same point arose in our discussion with Mr. Gromyko. He was very quiet about it. He said the West did not really understand the real situation in Czechoslovakia or in the U.S.S.R. He said the U.S.S.R.'s appreciation and action was more objective than the attitude taken by the West and that there was now no trouble in Czechoslovakia. Of course, there is now no trouble in Czechoslovakia, because the armed forces of the U.S.S.R. will countenance no trouble.

It was I who raised this question with Mr. Gromyko, and it was suggested to me by one of his very important aides that it was unfortunate I had raised it. I did not feel that way. Frankly, I do not think Mr. Gromyko felt that way.

Mr. Poliansky, a very outgoing and attractive man, has been to Canada and has visited a number of our provinces. He spoke of the good relations between Canada and the U.S.S.R. He spoke too of the prospects of better relations. He pointed out that there were no points of dispute between us, and he said—I think in candour—you are welcome to your good relationships with the United States, but try to develop better relations with your northern neighbours. I quote him directly as saying, "Visits like this are of tremendous significance and use. They will help find solutions to the problems which beset us."

Honourable senators, what about the reduction of European tensions? Will there be a cut-back, or will we continue to see the build-up of military capacity? Some apprehension has been expressed in other parts of Europe that, until European economic strength is made firmer and the unity of western Europe is more closely integrated, disarmament conferences should not take place.

My own view—and I am sure this is shared by honourable senators—is that the two objectives of greater European economic development and of disarmament are not mutually exclusive. I believe both goals can be pursued simultaneously. As I see it, there is no inconsistency between greater western economic strength and the need to provide for peace and disarmament.

Perhaps I should say too that Canada may enjoy the confidence of the Russian leaders more than Canadians appreciate. Perhaps we can do as much for peace as Mr. Gromyko and Mr. Poliansky suggest. But even if we cannot do all that they say, I think we should try to help.

In our discussions the question of ideological differences did not arise. I must say that I did not feel I was subjected to a propaganda exercise. The ideological differences were mentioned neither in public nor in private discussion, but the fact of the matter is, and I think the parties on both sides realized, that the two philosophies of society in our two countries are poles apart. We believe in the freedoms of the democratic state, in private enterprise, and that it is based upon the Judeo-Christian ethic.

It is a fact too that the East is the East, that it is Slavic, that emotion enters greatly into its decision-making, and that it has a mystique.

I may be wrong in this analysis, but I think that this mystique could have been transformed from the mystique of the old Orthodox Church to the materialistic statehood of Leninism, aided and abetted, of course, by the dialectic materialism of Marx and Engels upon which Lenin's work was based. To understand the U.S.S.R. and its beginnings, a knowledge of Russian history is essential. There is no doubt that the leaders of the U.S.S.R. emphasize the importance of the sacrifice to be made by the individual citizen in the interests of the state. So far as we could see—from the cities we visited, from the people we saw, from the evidence we heard—people are sacrificing. But spirituality, as we define it, plays little part in the national life of that country. Intellectuality, yes. Among its political leaders are some of the great intellects in the U.S.S.R. Journalists, writers and poets are in places of influence, and there have been great cultural achievements in the performing arts, literature and science, but the churches are museums.

I would like to pay particular tribute to Mr. Kosevnikov and to his wife, both of whom accompanied us and to whom the Speaker has referred. I think that Mr. Kosevnikov is one of the leading intellectuals of the country; he is certainly an impressive man. He has two daughters who are extremely talented—one a pianist and the other a composer at 16 years of age. One of her works was performed in Moscow for the first time by a great artist. Unfortunately, her parents were unable to attend the performance because they were with us.

Honourable senators, I repeat that we were in another world. Canada and the U.S.S.R. in many respects are two worlds; they are poles apart. Can they co-exist? Can they co-operate? These are pressing questions. Or, are we faced with the alternative of mutual destruction? Is a holocaust inevitable?

On this point Sakharov knows what he is talking about, because he had so much to do with the invention and the development of the hydrogen bomb. He said:

> The preaching of the incompatability of world ideologies is madness and a crime. Only universal co-operation under conditions of intellectual freedom and lofty moral ideals . . . will preserve civilization.

We may in our generation see a closer approach to the brink of the annihilation of mankind before a better *modus vivendi* is achieved. I hope that this will not occur. Brinkmanship is a very hazardous exercise. But, I am inclined to be optimistic.

Of this visit I should say that we were not invited to Soviet Russia to become converts to communism, and we did not go there in the hope of making any of our hosts converts to capitalism. Neither is likely to happen on the large scale. But, with all the obstacles that confront us, with all the frustrations, with all the recriminations, with the determination on both sides to look after its own interests, I believe it is essential to attempt a detente leading to a lasting and realistic peace. It is essential to pursue this goal steadfastly, patiently, with idealism, and with commitment. In my opinion it is worth persistent determination to achieve so noble a goal.

The goal, of course, is a genuine transformation of the international structure to a fraternal and co-operative world. If we are to have this then we must have neighbours to cherish, and not enemies to attack.

I think that we made many friends in the Soviet Union, including friends in the ministry. All I can hope is that they will be motivated, as we are, by an idealistic desire, if you will, a lofty idealism, to develop a lasting peace in the world, not only for ourselves but for our children.

[Hon. Mr. Connolly (Ottawa West).]

Hon. John B. Aird: Honourable senators, at the outset of my remarks I would like to associate myself with the addresses made by His Honour the Speaker and by Senator Connolly (Ottawa West). For me the visit to the Soviet Union was a memorable one. A wonderful reception was given us and our wives by our hosts, and we were shown generous hospitality and kindness. Unfortunately, because of the nature of this debate, I shall probably repeat some of the things that have been said by both Senator Deschatelets and Senator Connolly, but I wish to record the impressions that I, as a parliamentarian, received, and I hope that my words will reflect my independent reaction.

Let me emphasize that I do not regard myself as an instant expert. By nature, I have always regarded with suspicion anyone giving a so-called eye witness account of any event or procedure. This is particularly true of what I have to say in this report. I believe it was Blake who said that it is important to see through the eye, and not with it. I shall endeavour to follow his advice.

Therefore, honourable senators, I propose to discuss our visit under four general headings: strength and power, the east-west gap, Canada's position vis-a-vis the Soviet Union, and some general conclusions.

First, the overwhelming impression that I have is one of the great strength and power of the Soviet Union. Everywhere we went there was evidence of dedication, devotion, and sacrifice on behalf of the state. Everywhere the ravages of the war against Germany were still very much in evidence. Everywhere there was expressed the staggering figure of at least 20 million Russians who had been lost during that war. Everywhere it was emphasized that the war had been fought on the beloved soil of the Soviet Union, and that no family had escaped unscathed.

As a result, I think it is fair to say that the Soviet Union is still operating with a wartime mentality, and that it is absolutely determined that never again will such a war be fought on its soil.

Everywhere there is evidence of a continuing preparedness. It is well known that Moscow itself is a city ringed with roads that circle the city, and that every access roadway

and approach is clearly available for utilization as a military defence. The aircraft in which we travelled are readily convertible to military transports, and it is my understanding that all the pilots are drawn from the ranks of the army.

There can be no doubt that the Russians have excelled in certain areas, especially those related to pure science, the aerospace field, and medicine. We did not inspect a great number of plants, but by Western standards in those plants that we did see I must be honest and say that their industry is lagging. And what is more, they know it. It is interesting to note that the plant managers in several of the factories we visited were the first to admit that there was a great deal of room for improvement in productivity. It is also interesting to note that they always talked about increased plant production, as contrasted to increased output per man hour which, of course, is the true test of increased effectiveness and productivity.

In Leningrad we visited a precast concrete construction factory from where some of the great apartment construction in Leningrad was emanating. We were shown the computer control of inventory, and we were also told how it could be materially improved—and, what is perhaps more important, that it would be improved—and that next year the plant was looking forward to a 20 per cent increase in plant productivity. In similar fashion, we were shown an electric light factory in far off Yerevan, in the Republic of Armenia, wherein the same figures of plant productivity improvement were being sought, and, interestingly enough, incentive pools of capital had been created for workers showing innovative talents.

Everywhere we went there was this emphasis on increased plant productivity. Everywhere we went there was evidence that the equipment and methods were not comparable to Canadian standards. But also everywhere we went we were impressed by the drive, determination and the sacrifices that the workers in every echelon seemed prepared to make in order better to serve their country.

There is no doubt that the Russians are proud of their achievements, and if one wonders why the country is not a little bit more prosperous and up to date, it must always be remembered that it is endeavouring to remold a nearly illiterate peasant nation into an industrial society. It has had to cope with two world wars, a civil war, the incredible days and rule of Stalin—whose name was not mentioned once during our visit, but whose picture as a very young man I saw at the Smolny Palace in Leningrad as a member of the revolutionary group—and the collective agricultural system, which may or may not be working efficiently. We had no opportunity to make any judgment of the agricultural system. In addition, at the present time the Soviet Union is also in a defence and space race with the United States.

May I say that I am indebted to John Massey Stewart for his work "Across the Russias", which has given me some appreciation of these and other Russian problems.

Permit me to conclude this heading of strength and power by saying that if effort, dedication and sacrifice can overcome all obstacles, then the citizens that we saw and talked to are committed to this end.

My second heading, honourable senators, is the East-West gap. We often think in terms of military or economic areas when we think of the East-West gap. I would like to speak to you first of all in terms of freedom, religion and humour.

You know, we Canadians do not think very much about freedom. In fact, we take it for granted. Not until a person is deprived of his freedom does he have any understanding of exactly what it means, and yet freedom is something that Canadians have believed they fought for valiantly in two world wars. It is freedom that we should be most concerned about today. Surveillance, secret police, the continual necessity of the inspection of documents, the continual presence of unnamed spectators at any event, clearly establishes the mood and the atmosphere in which the citizens of the Soviet Union exist today. The feeling is something that must be experienced in order to be fully comprehended.

It is often said that there is no religion in the Soviet Union. Once again I suppose this depends upon one's definition of religion. It so happens that this is the centenary of Lenin's birth, as Senator Connolly described, and everywhere we went there were pictures and busts of the Soviet Union's founding father. It may have been said many times by many others, but the state is the god of the people and Lenin is the symbol of that deity. We were privileged to visit his tomb in Red Square, and at the time of our visit there was a line-up of thousands who had been waiting for hours in order to pass by the mausoleum and express their silent reverence to him, and of course indirectly to their state. I would like

to find the words to convey to you this feeling of mystical reverence, dedication and sacrifice for the state. The idea is conveyed that it all began here, the feeling that this was the place of origin, and that in effect Lenin, and the Soviet Union, is the saviour of the world.

As you all know, the beautiful old churches and palaces have, almost without exception, been converted into museums and are used for the purpose of showing to the people that the riches formerly held by the feudal masters and the church are now, because of communism and the revolution, the property of the people and of the state. The best example of this, to my mind, is the incomparable Hermitage in Leningrad, which is the most magnificent display of art and culture that I have seen anywhere. Every day thousands go through the Hermitage to see these treasures of the past, which the people are told now belongs to them.

Let me turn to the subject of humour. It may seem an odd heading after having discussed such other serious topics, but I believe that it is very much in point because, in all honesty, I must say that by western or Canadian standards there seems to be an extraordinary lack of it. I am indebted to the writings of Malcolm Muggeridge on this subject. I agree with him that the test of any civilization is the ability to laugh at itself, and the ability to caricature itself. He says:

> I would go further and contend that the degree of health and civilization in any society bears a direct relation to the degree to which this principle operates. As long as we can laugh at our aspirations, and at our disillusionments, at our fears and our pretentions, and our vanities and our appetites; above all, at ourselves—there is still hope for us and for the things that we hold dear.

I agree fully with these statements, as I agree that it is the universality of humour that makes it so sweet an alleviation of life's bitterness. I suppose the rulers of the Soviet Union have a full appreciation of what humour really means. Humour only exists in so far as it is truthful. To me, the humour and caricature of Canada and the western world is the very touchstone of the things which we hold dear, because a cartoon in a single expression of thought can reveal with absolute clarity and incisive truth the reality of any given situation. But to laugh is to fundamentally criticize, and to criticize is quite obviously forbidden in the Soviet Union, so I make this point as emphatically as I can.

This is in no way a comment on the culture that exists in the Soviet Union because, believe me, there is almost a cult of culture. We saw absolutely magnificent ballet, even to my uneducated eye and ear, in the stunning setting of the Kremlin Theatre, and in the most impressive theatres in Leningrad and Kiev. The disciplines in the arts are fully developed and the results are truly outstanding. The desire to excel is everywhere self-evident and the results speak for themselves, particularly in these fields. But as for humour, by western standards it is simply not present. And I say that if there is to be honesty and truth in any civilization, then the presence of humour as I have defined it is a condition precedent to its healthy existence.

As I have endeavoured to indicate to you by this brief discussion of such things as power, strength, religion and humour, I believe there is what seems to be an almost unbridgeable gap between the western mind and the Soviet mind. Not only do the Russians have 36 letters in their alphabet compared to our 26, but it seems to me that they have a completely different vocabulary to go with their alphabet.

In any event, they have an almost completely different way of life because today the Soviet Union seems to be a closed economy and certainly at the present time is very little subject to any western influences. I could see little evidence of any western news, any western impact of change and evolution as we understand it. This, to me, presents the fundamental question of our time: Can this gap be closed? Can there be co-existence, or at least co-operation? Surely communism, or for that matter democracy, can only prevail and exist if it is based on truth and in fair and open competition with other methods of society. It may only be a pious hope, but let us pray that some kind of a viable world society may evolve from the two opposing systems.

We hear everyday talk of the generation gap, the technological gap, the credibility gap—but surely the gap between East and West is the one that must command our every effort because the very future of existence on this planet depends upon it.

My third heading relates to Canada's position vis-a-vis the Soviet Union. Honourable senators will be familiar with the stand I took last April concerning the Governments decision relating to the phased reduction of our NATO forces in Europe. I said that I simply

did not believe that the decision was in the best interests of the Canadian people. I do not propose to dwell upon this Government decision other than to say that since that time world events, and particularly those in the Middle East and Czechoslovakia, seem to support my position. Today I am more convinced than ever about the validity of my conclusion.

All my life I have been concerned with strategy, with tactics—even though it may be as an amateur—and it is clear that the strategy of the Soviet Union is one of strength. I believe that the Russians respect and understand strength and commitment better than anything else and that, if one is to deal with them, one must move from strength—in this case the collective security and strength of NATO.

In our conversations with Mr. Polyansky, First Deputy Prime Minister, I said that I believed in capacity, whether it be the capacity of the Soviet Union or the United States, and that for many reasons I did not place much faith in intentions which can change overnight—and often do! To me, the meeting with Mr. Polyansky was extremely interesting because he strongly made the point that he believed that Canadian foreign policy was becoming more independent and that Canada occupies an important role in world affairs, and that even though a small country in population, a precise position—those were the words he used, "a precise position"—by which Canada would help in solving many international problems.

Mr. Polyansky went on to discuss the proposed conference on European security which we previously had discussed at some length with Mr. Gromyko, and he pointed out that the interest of Canada and the United States could ensure a good result. Mr. Gromyko had previously told us of his great satisfaction concerning our visit and had re-emphasized that the course of Soviet Union policy was peace and detente, and he felt that the proposal of the Warsaw Pact countries for a European security conference would materially increase the prospects for world peace. He reassured us that the Soviet Union sought no unilateral gain and emphasized that the agenda for such a conference should be very carefully thought out, and that it should not address questions which, to use his words, "would break the back of such a conference".

Honourable senators, Mr. Gromyko talked about balanced reductions of military forces, but pointed out that this had to be connected with other areas of discussion which were inter-related. His emphasis was on the fact that such a conference must address problems which are soluble, and he gave two headings for discussion at that meeting: firstly, "Security in European countries and the renunciation of force"; and, secondly, "Development of relations between Europeans on the economic and technological and political problems common to all countries."

At this meeting we discussed briefly what he termed "The Czechoslovakian crisis of August 1968". I found it interesting and revealing when he said that different conceptions of the Czechoslovakian affair had no doubt arisen because of the interpretation of the word "freedom" and that it seemed to him that some aspects of the Soviet Union's move were not clear to some statesmen in the West.

I take the liberty of referring you back to my remarks about freedom.

In this same context, I was interested to note that Mr. Gromyko said that although he was extremely interested in economic and bilateral ties between Canada and the Soviet Union, he did not feel that a political relationship should necessarily be dependent upon material facts such as imbalances in trade—whereas, Mr. Polyanski emphasized that it was most desirable that the ships carrying Canadian wheat to Russia should be loaded on both sides.

This was further emphasized by Mr. Kuzmin, First Vice-Minister of External Trade, who later that day dwelt at length on the imbalances of trade between Canada and Russia. Mr. Kuzmin, in effect, challenged the position that Canada is an open market and indicated that experience had shown prejudice against Soviet sales in Canada. In particular, he referred to promotional efforts to sell Soviet aircraft—and he made specific reference to helicopters—and the submission of bids on power generators for Manitoba and Saskatchewan as well as farm machinery for the prairies. In effect, he suggested that if Canada persists in this attitude of rejection, the Soviet Union will buy elsewhere. You will, therefore, see that the Soviet Union adopts quite a different attitude from that of other countries endeavouring to sell machinery and other goods in Canada. The Soviet Union says that trade must be on the ground of a country-to-country transaction rather than on the ground of open competition in the sophisticated free enterprise Canadian market. This obviously has very wide

implications from a Canadian point of view, and will be very difficult, if not impossible, to implement.

Honourable senators, my general conclusion is that the main thrust of our discussions with the four important Soviet Union ministers was toward, firstly, the Canadian position as it relates to the proposed European security conference which, as yet, has no date set; secondly, the great desire of the Soviet Union to improve its imbalance of trade with Canada because of its large wheat purchases; and, thirdly, any possible differential that could be established between Canadian and United States posture to world events and, of course, particularly toward the Soviet Union.

These three subjects came up in nearly every conference of importance. It is clear in particular that the Soviet officials welcomed any opinions, whether pro or con—and even really quite subtly—concerning Canada's position as it relates to the United States.

All in all, I would consider the visit a successful one, although difficult from a physical point of view, inasmuch as we had an extremely full program with many deadlines to meet. On the other hand, the meetings certainly served the purpose of establishing the opening of a dialogue between parliamentarians of the Soviet Union and of Canada. We had an opportunity to look at each other across the table.

I believe that our delegation discharged its task with dignity, despatch, and firmness if the occasion demanded it. As I said at the beginning, all the meetings and receptions were held in a most cordial and hospitable atmosphere. In fact, we could not have been looked after in a better fashion.

I regard my own visit to the Soviet Union as being rewarding and educational. In closing, I would like to say that we in Canada have much to learn about the world; we have much to learn about self-discipline; we have a country of which we can be very proud and wherein freedom prevails. At all costs it is our duty to take every step to maintain that freedom in the pursuit of peace. Such a peace can only be achieved through awareness of the strength and capacity of the superpowers of the world.

As I said once before, to put the problem in language that everyone understands, the name of this serious and deadly game of international relationships is still vigilance.

Hon. Jacques Flynn: Honourable senators, I shall detain you only a few minutes longer and, to change the tempo, I will speak in French.

[*Translation*]

Honourable senators, it did not seem essential to me that each member of the Senate delegation which recently visited the USSR, at the invitation of the Soviet ambassador in Ottawa, submit a report to the Senate. However, I do not want to be the only remiss delegate, even though I may repeat what you have already heard more than once.

My general impressions of this trip are most favourable. We were cordially welcomed, we had very pleasant experiences, and at the same time we had opportunities to learn much about the country and its inhabitants.

It is impossible to come to very definite conclusions and have clear impressions after a stay of barely ten days in a country as vast as the U.S.S.R., which, as you know, has a population of over 250 millions, and is made up of 15 republics over an area greater than Canada itself. Spending a few days in Moscow, Leningrad, Kiev, the Ukrainian capital, Yerevan, capital of Armenia, does not make one an authority on the Soviet regime. Nonetheless, the policy of exchange parliamentary visits seems an excellent one to me. Understanding calls for communication and more and more dialogues. The apparent uselessness of first contacts and first exchanges should not prove discouraging. I do not say this about our recent visit to Russia, but in connection with the oft-heard criticisms about alleged excessive travel by parliamentarians.

I have no intention of relating the events of our ten-day trip and our numerous and continuous activities consisting in meetings with the authorities, visits to historic sites, museums and social gatherings. The previous speakers have said enough about it. I shall limit myself to a summary analysis of the position and the general policy of the Soviet government.

I agree with Senator Aird that two facts seem to have a strong influence on the Soviet people: first, the isolation into which the system was thrown after the events of 1917 and until the war in 1939 and, second, the heavy burden which the war put on the Soviets and the ensuing fear of another conflict.

There is no doubt that the isolation in which the U.S.S.R. found herself after the October revolution had a strong influence and was the first reason behind the ideological conflict between Marxist communism and the

so-called capitalist system. Both sides long held to the view—which still prevails in many quarters—that this ideological conflict could not be resolved and end other than in a war which would mean total victory for one side or the other. Lenin had expressed this view and the leaders of western nations have also made similar statements before.

Yet, this conflict has not materialized after 50 years, even if we did have a cold war and if, according to many people, the cold war still goes on. Nonetheless, the ideological conflict underwent profound changes because there has been a change in the approach by both sides, the so-called capitalist or free-enterprise system and the Marxists. There necessarily were exchange of views, discussions and clashes which to a certain extent blunted some of the asperities in this ideological opposition. Furthermore, the spectre of a nuclear war renders more and more obvious the impossibility of settling this conflict by force, as it is clear that an atomic war would leave no victor and that in the end such a war would put in balance the very survival of the whole world.

It is therefore in this context that NATO continues to seek an easing off of relations—even after the developments in Czechoslovakia—with the countries of the Warsaw Pact and that the latter, for their part, multiply their efforts in order to have a pan-European conference called for the purpose of seeking a general agreement that force will not be resorted to in the settlement of conflicts which are of concern to European countries.

On the other hand, the painful experience of the last war brought about a strengthening of the Soviet system, as it fostered in the people a very strong nationalist sentiment and, by way of consequence, the determination to rebuild their war-torn territory and to create, at the same time, a military force to prevent the repetition of such a disaster.

On the economical and social levels, the Soviet regime surely has successes to its credit, but it is obvious that the standard of living is still very low. On the other hand, the military strength of the U.S.S.R. is well known; its maintenance requires that the people devote the major part of their efforts to it, neglecting, by the same token, their economic progress.

It appeared to me that the Soviets greatly fear West Germany and even more the United States of America. They doubt their sincerity when they preach world peace. At any rate, there is no doubt that the U.S.S.R. is only willing to negotiate peacekeeping conditions from a position of strength. It is difficult to criticize them for this because it has always appeared essential that the West proceed in the same way.

Moreover, that is the very reason why I agree with those who, like Senator Aird, do not accept that Canada should reduce its military participation in NATO. Disarmament should only take place at the level of the two alliances—NATO and the Warsaw Pact. Because of its geographical position, Canada cannot have a policy of its own or one that is independent of that of its allies within NATO, unless it renounces its responsibilities and thereby weakens the alliance.

It is surely not by reducing our military participation that we shall contribute to easing the tension. This can only result, once again, from negotiations at the level of the two great alliances.

In conclusion, may I say that, upon my return from the U.S.S.R., I am convinced that that country sincerely desires peace, that a dialogue is possible and that it should be extended between our two countries as well as between the East and the West. It remains nevertheless extremely important that NATO continue to neutralize the military power of the U.S.S.R. for as long as we are unable to agree on total disarmament.

As for the ideological conflict between Marxism, on the one hand, and so-called capitalism, on the other, it is not about to be solved. However, I do not consider it impossible that some evolution, which may not be outwardly apparent but which is felt when one travels in the U.S.S.R. may reduce its sharpness in a not too distant future.

[*English*]

Honourable senators, to summarize, we had a most enjoyable journey, though a very busy one, for which I join my colleagues in thanking our hosts, and also our Ambassador in Moscow, his charming wife and all the staff of the Embassy. I assure our hosts and I assure honourable senators that this journey will have served the cause of international peace and understanding, even if only in a very modest way.

FINANCE

PROTECTION OF PURCHASE OR EXCHANGE VALUE OF CANADIAN MONEY—INQUIRY ANSWERED

Leave having been given to revert to Notices of Inquiry:

On the inquiry of Honourable Arthur W. Roebuck:

1. What was the nominal or face value of Canadian money in circulation in each month since and including the year 1956 to the present time—latest figures available?

2. What amount of money did the Bank of Canada or any other agency or Department of the Government of Canada spend in the purchase of Canadian money for the purpose of protecting or maintaining the purchasing or exchange value of Canadian money in each month during the above mentioned period?

3. What steps, if any, did the Bank of Canada or any agency or Department of the Government of Canada take during each of the months of 1967 and 1968 to protect or maintain the purchasing or exchange value of Canadian money?

4. What resources did the Bank of Canada or the Government of Canada have available in January of 1967 and succeeding months of 1967 and 1968 with which to protect or maintain the purchasing or exchange value of the Canadian money, and how much of such resources was used or expended for that purpose?

5. What credits were in existence or were available or were arranged by the Bank of Canada or any other agency or Department of the Government of Canada during the years 1967 and 1968 for the purpose of protecting the purchasing or exchange value of Canadian money in each of the months of the said period of 1967 and 1968, and how much of such credits were used or called upon for that purpose?

6. What was the cost of living in Canada according to the Consumer Price Index since its inception in the year 1961 in each month to the present time to the latest figures available?

Hon. A. Hamilton McDonald: Honourable senators, the answers to these questions have now been received.

(For text of inquiry and answer see Appendix p. 487-94)

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 486*)

FINANCE

PROTECTION OF PURCHASE OR EXCHANGE VALUE OF CANADIAN MONEY—INQUIRY AND ANSWER

Question 1

What was the nominal or face value of Canadian money in circulation each month since and including the year 1956 to the present time—latest figures available?

There are a number of different definitions of what constitutes money in Canada. The two most commonly used are currency outside the banks plus privately held bank deposits denominated in Canadian dollars and currency outside banks plus total Canadian dollar bank deposits which includes the Government of Canada's deposits. Table I lists the major components of these definitions of money supply.

Question 2

What amount of money did the Bank of Canada or any other agency or Department of the Government of Canada spend in the purchase of Canadian money for the purpose of protecting or maintaining the purchasing or exchange value of Canadian money in each month during the above mentioned period?

Currency operations designed to affect the exchange value of Canadian money are carried out by the Minister of Finance's Exchange Fund Account. Neither the Bank of Canada nor any other agency of the Government of Canada has in the past extended any money for this purpose.

While it is not possible to isolate all instances where official exchange operations were undertaken specifically to protect or maintain the exchange value of Canadian money, a general indication of the amounts of money employed for that purpose may be obtained by observing changes in the total of Canada's official holdings of gold and U.S. dollars and in its credit position with the International Monetary Fund which is the equivalent of foreign exchange reserves. These figures are published by the Minister of Finance as at the end of each month. From 1956 to the present, the month-to-month changes in the total amount of these official international monetary reserves held by Canada, expressed in millions of U.S. dollars, were as shown in accompanying Table II.

It should be noted that, in the period extending from 1956 to the present time, it was not until May 2, 1962 that Canada adopted a fixed parity for its currency and, according to the terms of its membership in the International Monetary Fund, undertook to maintain its exchange value within prescribed limits on either side of this parity value. From 1956 to June 1961, the policy of the Government was to allow the exchange rate to be determined by the normal play of economic forces without intervention in the market by the Exchange Fund Account except to smooth out excessive short-run fluctuations which might occur from time to time. In June 1961, however, it became the policy of the Government to reduce the external value of the Canadian dollar. In consequence, the Exchange Fund Account adopted a less passive role as its official intervention in the market became more active and purposeful.

Question 3

What steps, if any, did the Bank of Canada or any agency or Department of the Government of Canada take during each of the months of 1967 and 1968 to protect or maintain the purchasing or exchange value of Canadian money?

In addition to the action taken from time to time directly on the exchange market by the Exchange Fund Account and in addition to measures implemented by the Government and by the Bank of Canada to promote general economic policy objectives which affect the exchange value of Canadian money indirectly, the following measures were taken in 1967 and 1968 specifically to bolster confidence in the Canadian dollar and maintain its value in the foreign exchange market.

(a) In November 1967, at the time of the devaluation of the British pound sterling, the Bank of Canada raised the Bank Rate from 5 per cent to 6 per cent.

(b) In December 1968, as a measure of international cooperation designed to calm international exchange markets, the Bank of

Canada requested Canadian banks and other financial institutions not to extend credit on gold nor to facilitate forward purchases of gold.

(c) On January 21, 1968, the Bank of Canada announced that, following discussions with chartered banks, it had been agreed that the banks should discourage the use of bank credit to facilitate abnormal transfers of funds abroad by Canadian subsidiaries of foreign companies or to meet requirements in Canada which had in the past normally been met by parent companies. On the same day, the Bank of Canada raised the Bank Rate from 6 per cent to 7 per cent and, in the subsequent period, pursued a policy that put upward pressure on market interest rates and thereby encouraged investors to keep their funds in Canada and borrowers to bring funds into Canada.

(d) At the end of January, 1968, the Bank of Canada drew U.S. $250 million on its U.S. $750 million reciprocal credit facility with the Federal Reserve System.

(e) At the end of February, Canada drew the equivalent of U.S. $426 million from the International Monetary Fund.

(f) In early March, the Bank of Canada asked the banks and other financial intermediaries not to facilitate the outflow of funds through certain foreign currency deposit transactions and this request was widened by the Minister of Finance with an appeal which included all investors.

(g) On March 7th, it was announced that, following negotiations between Canadian and United States authorities, the United States had undertaken to exempt Canada completely from U.S. balance of payment measures affecting capital flows that were being administered by the U.S. Department of Commerce or the Federal Reserve System. For its part, Canada undertook to ensure that this exemption would not result in Canada being used as a "pass-through" by which the purpose of the U.S. balance of payment program would be frustrated and guidelines were issued to Canadian banks; non-bank financial institutions were asked in July to accept similar guidelines. Also on March 7th, standby credits amounting in total to $900 million from the Export-Import Bank, from the Bank for International Settlements and, through it, the central banks of Germany and Italy were announced by the Minister of Finance and by the Bank of Canada.

(h) On March 17th, the Bank of Canada announced that it would co-operate with other central banks in measures taken to stem the drain on official gold reserves and to establish a two-price system for gold. At the same time, it announced an increase in the Bank Rate from 7 per cent to 7½ per cent and that its reciprocal credit facility with the Federal Reserve System was increased from U.S. $750 million to U.S. $1,000 million.

(i) To further encourage confidence in the Canadian dollar and to hasten the rebuilding of reserves, Government bonds payable in foreign currencies and amounting in total to some U.S. $262 million were issued in Germany, Italy and the United States in May and June.

Question 4

What resources did the Bank of Canada or the Government of Canada have available in January of 1967 and succeeding months of 1967 and 1968 with which to protect or maintain the purchasing or exchange value of the Canadian money, and how much of such resources was used or expended for that purpose?

During 1967 and 1968 the Bank of Canada and the Government of Canada had available to support the foreign exchange value of the Canadian dollar,

(a) the gold and U.S. dollars held by the Exchange Fund Account, the Bank of Canada and the Minister of Finance;

(b) Canada's drawing rights with the International Monetary Fund;

(c) the Bank of Canada's reciprocal swap facility with the Federal Reserve System;

(d) Standby credit facilities arranged in March 1968 with (i) the Export-Import Bank; and (ii) Bank for International Settlements and, through it, the central banks of Germany and Italy;

(e) the proceeds of long-term foreign currency borrowings in Germany, Italy and the United States referred to in paragraph (i) above.

An indication of the net amount of resources used to protect or maintain the exchange value of the Canadian dollar during each month of 1967 and 1968 is given in accompanying Table II.

Question 5

What credits were in existence or were available or were arranged by the Bank of Canada or any other agency or

Department of the Government of Canada during the years 1967 and 1968 for the purpose of protecting the purchasing or exchange value of Canadian money in each of the months of the said period of 1967 and 1968, and how much of such credits were used or called upon for that purpose?

The credits which were in existence or were available to or were arranged by the Bank of Canada or the Government of Canada during 1967 and 1968 for the purpose of protecting the exchange value of the Canadian dollar are listed as items (b) through (e) in the answer to question 4 above. The equivalent of U.S. $246 million of Canada's drawing rights with the International Monetary Fund, U.S. $250 million of the Bank of Canada's reciprocal credit facility with the Federal Reserve System and the equivalent of U.S. $262 million borrowed in Germany, Italy and the United States, were called upon and included in Canada's holdings of gold and U.S. dollars. However, since the original holdings of the Exchange Fund Account were at all times more than adequate to meet the drains on reserves which occurred in 1967 and 1968, none of these credits was actually used.

Question 6

What was the cost of living in Canada according to the Consumer Price Index since its inception in the year 1961 in each month to the present time to the latest figures available?

Attached Table III gives the Consumer Price Index as published by the Dominion Bureau of Statistics since 1961.

TABLE I

Currency and Chartered Bank Deposits
(Millions of dollars)

Month-end	Currency Outside Banks	Privately Held Deposits	Sub-Total	Govt. of Canada Deposits	Total
1956–Jan.	1,457	9,269	10,726	501	11,227
Feb.	1,474	9,279	10,753	493	11,246
Mar.	1,561	9,292	10,853	488	11,340
Apr.	1,517	9,514	11,031	355	11,386
May	1,527	9,444	10,971	494	11,466
June	1,604	9,527	11,131	413	11,544
July	1,561	9,591	11,152	279	11,431
Aug.	1,621	9,686	11,306	275	11,582
Sept.	1,619	9,676	11,295	281	11,577
Oct.	1,577	9,862	11,440	153	11,593
Nov.	1,651	9,582	11,232	417	11,650
Dec.	1,605	9,587	11,192	246	11,438
1957–Jan.	1,549	9,509	11,058	254	11,313
Feb.	1,562	9,419	10,982	391	11,373
Mar.	1,607	9,481	11,088	377	11,464
Apr.	1,564	9,617	11,181	309	11,490
May	1,631	9,543	11,174	284	11,459
June	1,669	9,644	11,313	186	11,499
July	1,622	9,668	11,290	148	11,437
Aug.	1,682	9,673	11,355	122	11,477
Sept.	1,639	9,829	11,469	131	11,600
Oct.	1,663	9,976	11,639	79	11,718
Nov.	1,717	9,605	11,322	448	11,770
Dec.	1,667	9,833	11,500	423	11,923
1958–Jan.	1,655	9,739	11,394	371	11,765
Feb.	1,678	9,755	11,433	444	11,876
Mar.	1,665	9,965	11,630	250	11,880
Apr.	1,658	10,212	11,870	90	11,960
May	1,728	10,235	11,962	358	12,320
June	1,728	10,464	12,192	160	12,352
July	1,731	10,746	12,477	442	12,919
Aug.	1,776	10,960	12,736	344	13,080
Sept.	1,732	11,231	12,962	59	13,022
Oct.	1,792	11,406	13,198	148	13,347
Nov.	1,807	11,021	12,829	509	13,338
Dec.	1,781	11,147	12,927	319	13,247

TABLE I

Currency and Chartered Bank Deposits (*Con.*)
(Millions of dollars)

Month-end	Currency Outside Banks	Privately Held Deposits	Sub-Total	Govt. of Canada Deposits	Total
1959–Jan.	1,755	10,992	12,746	473	13,220
Feb.	1,771	10,945	12,716	436	13,152
Mar.	1,739	11,038	12,777	425	13,203
Apr.	1,764	11,163	12,927	273	13,200
May	1,815	11,025	12,840	431	13,270
June	1,799	11,144	12,942	375	13,318
July	1,848	11,224	13,072	366	13,438
Aug.	1,803	11,200	13,002	282	13,284
Sept.	1,785	11,290	13,075	64	13,138
Oct.	1,842	11,323	13,164	66	13,230
Nov.	1,801	10,818	12,619	590	13,209
Dec.	1,832	10,957	12,789	404	13,193
1960–Jan.	1,778	10,778	12,556	519	13,075
Feb.	1,753	10,748	12,501	552	13,054
Mar.	1,772	10,912	12,684	361	13,045
Apr.	1,836	10,973	12,809	309	13,118
May	1,786	11,021	12,807	445	13,253
June	1,894	11,034	12,928	355	13,283
July	1,882	11,131	13,013	283	13,296
Aug.	1,819	11,262	13,081	154	13,235
Sept.	1,892	11,429	13,322	40	13,362
Oct.	1,842	11,683	13,525	183	13,708
Nov.	1,839	11,349	13,188	627	13,814
Dec.	1,876	11,527	13,404	510	13,914
1961–Jan.	1,782	11,465	13,247	413	13,660
Feb.	1,796	11,501	13,297	447	13,745
Mar.	1,894	11,656	13,550	299	13,849
Apr.	1,882	11,784	13,666	125	13,791
May	1,825	11,859	13,684	122	13,806
June	1,929	11,932	13,861	113	13,974
July	1,893	12,124	14,016	144	14,160
Aug.	1,894	12,378	14,271	131	14,403
Sept.	1,954	12,346	14,300	166	14,466
Oct.	1,889	12,747	14,636	17	14,653
Nov.	1,927	12,529	14,456	517	14,972
Dec.	1,959	12,617	14,575	588	15,163
1962–Jan.	1,848	12,357	14,205	701	14,905
Feb.	1,870	12,323	14,194	807	15,000
Mar.	1,945	12,427	14,372	718	15,091
Apr.	1,924	12,679	14,603	724	15,326
May	1,939	12,754	14,693	816	15,508
June	2,025	12,641	14,666	820	15,487
July	1,971	12,607	14,578	619	15,197
Aug.	2,034	12,683	14,717	349	15,066
Sept.	2,032	12,986	15,018	76	15,094
Oct.	1,974	13,250	15,224	27	15,251
Nov.	2,054	12,818	14,872	598	15,471
Dec.	1,994	13,126	15,119	564	15,683
1963–Jan.	1,949	12,968	14,916	461	15,377
Feb.	1,961	13,012	14,973	556	15,528
Mar.	2,020	13,168	15,188	320	15,508
Apr.	1,980	13,547	15,528	97	15,625
May	2,043	13,541	15,584	278	15,862
June	2,093	13,512	15,606	450	16,056
July	2,028	13,693	15,721	511	16,232
Aug.	2,101	13,635	15,736	326	16,061
Sept.	2,051	13,924	15,975	203	16,179
Oct.	2,066	14,216	16,282	374	16,656
Nov.	2,126	13,789	15,915	905	16,820
Dec.	2,084	14,066	16,150	914	17,064

TABLE I

Currency and Chartered Bank Deposits (*Con.*)
(Millions of dollars)

Month-end	Currency Outside Banks	Privately Held Deposits	Sub-Total	Govt. of Canada Deposits	Total
1964–Jan.	2,057	13,744	15,801	959	16,760
Feb.	2,077	13,821	15,801	855	16,753
Mar.	2,046	14,101	16,146	793	16,940
Apr.	2,082	14,337	16,419	538	16,957
May	2,128	14,236	16,364	750	17,115
June	2,126	14,467	16,594	793	17,387
July	2,189	14,417	16,605	870	17,476
Aug.	2,132	14,509	16,641	761	17,402
Sept.	2,137	14,879	17,016	369	17,386
Oct.	2,210	15,017	17,227	267	17,494
Nov.	2,174	14,841	17,051	806	17,821
Dec.	2,254	15,099	17,353	696	18,049
1965–Jan.	2,192	15,012	17,204	834	18,038
Feb.	2,198	15,148	17,346	802	18,148
Mar.	2,170	15,625	17,795	645	18,440
Apr.	2,260	15,914	18,174	471	18,645
May	2,204	15,864	18,068	650	18,718
June	2,297	16,236	18,533	622	19,155
July	2,348	16,471	18,819	773	19,593
Aug.	2,293	16,655	18,948	667	19,615
Sept.	2,325	16,819	19,143	488	19,632
Oct.	2,389	17,022	19,410	430	19,840
Nov.	2,353	16,655	19,009	893	19,901
Dec.	2,419	16,927	19,345	797	20,142
1966–Jan.	2,298	16,688	18,986	861	19,848
Feb.	2,312	16,697	19,009	768	19,777
Mar.	2,361	71,067	19,428	564	19,992
Apr.	2,427	17,279	19,706	478	20,184
May	2,363	17,206	19,569	584	20,153
June	2,524	17,411	19,935	527	20,462
July	2,516	17,501	20,017	614	20,631
Aug.	2,446	17,771	20,218	492	20,709
Sept.	2,532	17,876	20,408	422	20,829
Oct.	2,471	18,301	20,772	431	21,203
Nov.	2,500	17,822	20,321	966	21,287
Dec.	2,589	17,989	20,578	919	21,497
1967–Jan.	2,464	18,223	20,687	826	21,512
Feb.	2,484	18,400	20,883	924	21,807
Mar.	2,592	18,820	21,412	806	22,218
Apr.	2,648	18,964	21,611	715	22,326
May	2,600	19,212	21,812	746	22,558
June	2,779	19,397	22,177	641	22,818
July	2,723	19,792	22,514	644	23,158
Aug.	2,739	20,176	22,916	629	23,545
Sept.	2,801	20,791	23,592	252	23,844
Oct.	2,718	21,422	24,139	43	23,182
Nov.	2,772	20,992	23,763	434	24,197
Dec.	2,829	20,855	23,685	618	24,302
1968–Jan.	2,679	20,567	23,246	942	24,188
Feb.	2,709	20,746	23,455	927	24,382
Mar.	2,769	21,023	23,792	942	24,735
Apr.	2,728	21,789	24,517	487	25,005
May	2,844	21,862	24,706	341	25,047
June	2,946	22,548	25,494	202	25,696
July	2,893	23,193	26,087	243	26,329
Aug.	2,963	23,398	26,361	252	26,613
Sept.	2,890	23,705	26,596	140	26,735
Oct.	2,925	23,918	26,843	302	27,145
Nov.	3,034	23,529	26,562	946	27,508
Dec.	3,060	24,129	27,188	669	27,858

TABLE I

Currency and Chartered Bank Deposits (*Con.*)
(Millions of dollars)

Month-end	Currency Outside Banks	Privately Held Deposits	Sub-Total	Govt. of Canada Deposits	Total
1969–Jan.	3,001	23,995	26,996	672	27,668
Feb.	3,032	24,392	27,425	663	28,088
Mar.	3,003	24,795	27,798	544	28,341
Apr.	3,031	24,547	27,578	610	28,188
May	3,151	24,497	27,648	742	28,390
June	3,188	24,751	27,940	832	28,771
July	3,207	24,336	27,543	801	28,343
Aug.	3,270	24,486	27,756	782	28,538
Sept.	3,170	24,792	27,962	532	28,494
Oct.	3,248	25,113	28,361	392	28,753
Nov.	3,285	24,326	27,611	1,510	29,121
Dec.p	3,345	24,620	27,965	1,303	29,268

p : Preliminary.

TABLE II

Monthly changes in Canada's holdings of gold and U.S. dollar reserves and credit position with the International Monetary Fund

1956–1969

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
	(millions of U.S. $)													
Jan.	−22.0	−5.6	+28.8	−38.9	−7.6	+63.3	−133.9	+123.1	−12.6	−6.1	−41.6	+22.3	−97.7[f]	+43.7
Feb.	−1.2	−10.9	+4.6	−14.1	−2.7	+19.4	−175.2	−68.6	−40.1[d]	−4.5	−45.0	−44.0	+71.6[g]	−44.4
Mar.	−6.3	+3.9	+6.0	+2.2	−2.8	+22.6	−47.6	+6.2	−76.8	−67.1	−42.6	+9.2	−245.6	−31.8
Apr.	−6.3	−21.8	+7.3	+25.5	−14.3	+10.3	−134.6	+71.3	+15.6	+17.4	−27.3	−18.6	+171.2	+13.0
May	+20.3	+30.8	+22.5	+4.1	−101.5	+14.0	−122.0	+40.6	+28.3	+13.7	−47.9[e]	−10.2	+279.4	−17.2
June	+14.1	+9.2	+23.9	+16.3	+33.5	+36.0[b]	+291.5	−20.4	+24.5	−18.6	−80.9	−22.0	−121.0[fg1]	−51.4
July	−6.2	+31.2	+15.2	−16.9	+46.7	−24.9	+305.8	−190.6[d]	—	+26.4	−24.4	+12.4	−59.4[f1]	−24.2
Aug.	−9.6	−30.1	−13.9	+8.0	+16.0	+9.1	+216.2	−30.5	+42.0	+116.5	−27.9	+12.9	+74.9	+34.2
Sept.	+19.8	−53.0	−34.5	+13.0	−23.6	+4.9	+114.0	+97.8	+48.6	+67.1	−26.5	+28.0	−54.5[g1]	−13.9
Oct.	+9.5	+33.8	+29.1	−62.9[a]	+32.3	+186.3	+169.3[c]	+13.1	+62.1	+13.7	−21.0	+80.6	−6.0	+94.9
Nov.	+19.0	−29.2	+9.7	−12.4	−6.0	−31.8	−6.4[e]	+49.6	+56.8	+14.2	+14.2	−44.8	+154.6	+21.9
Dec.	+3.6	−66.2	+12.1	+6.2	−10.1	−23.0	−68.1[e]	−36.0	−9.1	−26.6	−10.1	−9.1	+164.4	+35.4

(a) Affected by a $62.5M gold subscription payment to the I.M.F.
(b) Affected to the extent of $138.2M by a drawing from the I.M.F. and by Bank of Canada drawings totalling $350M on central bank facilities.
(c) Affected by repayments of central bank credits of $175M, $75M and $100M in Oct., Nov. and Dec. respectively.
(d) Affected to the extent of −$79.7M and −$59.7M respectively by transactions with the I.M.F. in July, 1963 and Feb., 1964.
(e) Affected by a $47.5M gold subscription payment to the I.M.F.
(f) Affected by a $250M drawing by the Bank of Canada's on its reciprocal credit facility with the Federal Reserve System. (Repayments of $125M each was made in June and July. (f[1]).)
(g) Affected to the extent of +$184.9M by transactions with the I.M.F. (Repayments made in June and September (g[1]) affected reserves to the extent of $121M and 63.9M respectively.

TABLE III

Consumer Price Index
Index 1961 = 100

	1961	1962	1963	1964	1965	1966	1967	1968	1969
Jan.	100.0	100.4	102.2	103.9	106.0	109.3	113.0	118.1	122.6
Feb.	99.8	100.5	102.2	104.1	106.2	110.0	113.1	118.2	122.6
Mar.	99.9	100.4	102.2	104.2	106.3	110.2	113.4	118.6	123.2
Apr.	99.9	100.9	102.4	104.5	106.6	110.8	114.4	119.3	124.6
May	99.8	100.7	102.4	104.5	106.8	111.0	114.6	119.3	124.9
June	99.8	101.0	102.8	104.7	107.6	111.3	115.2	119.7	125.9
July	99.8	104.4	103.3	105.4	108.0	111.7	116.3	120.4	126.4
Aug.	99.9	101.7	103.6	105.3	107.9	112.2	116.8	120.7	126.9
Sept.	99.9	101.4	103.3	105.0	107.7	112.3	116.6	121.1	126.6
Oct.	100.0	101.8	103.4	105.0	107.8	112.5	116.5	121.4	126.8
Nov.	100.4	102.1	103.7	105.2	108.5	112.6	116.9	121.9	127.4
Dec.	100.5	102.1	103.9	105.9	109.0	112.9	117.5	122.3	127.9

The concepts and composition of this index are described in the D.B.S. publication "The Consumer Price Index for Canada", Catalogue No. 62-518.

THE SENATE

Thursday, February 5, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to December 31, 1969.

MASS MEDIA

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(h) moved:

That the names of the honourable Senators Quart and Welch be substituted for those of the honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday next, February 10, at 8 o'clock in the evening.

Hon. J. Campbell Haig: Honourable senators, I do not know whether the Leader of the Government or the Government Whip know that members of the United States Committee on Science and Astronautics are arriving here from Washington on Sunday afternoon and that they will be introduced to the House of Commons at 2 p.m. on Monday. As they will not be leaving Ottawa until Tuesday afternoon, I was wondering whether the Leader of the Government would agree to having the Senate meet at 2 p.m. that day so that these visitors could be introduced here. The Senate could resume its sitting at 8 o'clock in the evening.

The Hon. the Speaker: With your permission, honourable senators, I do not wish to go into the details of the merits of this motion, but I should say that I have been asked to organize a luncheon in the Speaker's chambers at noon on Tuesday next for the American delegates. This I have agreed to do with great pleasure. Having said that I will leave it to the honourable Leader of the Government to answer the honourable Senator Haig's question.

Hon. Paul Martin: May I ask Senator Haig if this congressional committee will be here on Wednesday?

Hon. Mr. Haig: No.

Hon. Mr. Martin: The timetable for next week has been arranged with the work that is to come before this house in mind. At this stage I do not think it possible for us to meet earlier than Tuesday evening. Next week's work is planned in the light of the program now in our hands. This means that we have no occasion to meet on Tuesday afternoon.

Motion agreed to.

THE SENATE

COMMITTEE EXPENDITURES—APPLICATION OF RULE 84

Leave having been given to revert to Reports of Committees:

Hon. Hartland de M. Molson: Honourable senators, I have been asked to call the attention of the house to a problem that faces us from time to time, and which concerns the planning and control of our own expenditures, with particular reference to our committees.

We are all well aware of the fact that a great deal more committee work is being done now than in the past, and we are equally aware that some of this work is of the highest importance. To enable them to carry out their tasks the committees have, quite rightly, acquired additional and, in many cases, expert staff, and they have been authorized by the Senate to incur the necessary expenses. In the Standing Committee on Internal Economy and Contingent Accounts, of which Senator Smith is the Chairman, it was agreed that budgets would be submitted for future planned expenditures. A second way in which the matter of these expenditures was examined, and more my direct concern as its chairman, was in the Standing Committee on Standing Rules and Orders. That matter was dealt with and discussed at

some length over a year ago. The result was that Rule 84 emerged. I shall not read Rule 84, which has four sub-rules, but in short it says that a Senate committee shall report its expenditures after a period when it has finished its job. I call attention to sub-rule (3), which reads:

> In addition to the final report referred to in sub-rules (1) and (2), within fifteen days of the commencement of each session, a select committee of the Senate shall make an interim report of any special expenses incurred by it during the preceding session which have been accounted for, together with an estimate of any such expenses not yet accounted for.

To my knowledge I do not believe that there has been any such report submitted to the chamber. Having been asked to call this to the attention of the chamber, I would respectfully suggest that the chairmen of committees examine their own situation and see whether or not they have complied with Rule 84.

Hon. Donald Smith: Honourable senators, may I respond to the point raised by honourable Senator Molson? The honourable senator cited Rule 84, which applies to the operation of the Senate, and it was therefore quite proper for him to raise this matter in the chamber.

It might be helpful, in order to see whether or not the new rule can be more closely adhered to in future, if as chairman of the Standing Committee on Internal Economy and Contingent Accounts I took it upon myself to see that Senator Molson's remarks, and the application in general of Rule 84, are brought to the attention of all committees, both the standing and the special committees. We should thank the honourable senator for bringing to our attention the particular provision in Rule 84 which he quoted.

PRIVATE BILL

BRUNNER CORPORATION (CANADA) LIMITED —SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-18, respecting Brunner Corporation (Canada) Limited.

He said: Honourable senators, this is a private bill, which might very well be considered as a routine and rather uninteresting piece of legislation. However, I assure those of my colleagues who are members of the legal profession feel it is of considerable interest to them. I can only paraphrase my recollection of the remarks of, I think it was Talleyrand, which he made on one occasion when he was briefing some of his public servants. As we know, probably one of the greatest public services of any country was built up in France under Talleyrand. I paraphrase his remarks: "You will service your country well. I have confidence in your merit and devotion, but one fault I will not tolerate is zeal."

Honourable senators, in this private bill which we have before us this afternoon we have an example of what zeal can do when carried to its extreme or exhibited whatsoever by our public servants. Today, in the atmosphere in which we now find ourselves in Parliament, I really feel that one of the most important responsibilities we have in this body is to watch and guard against zeal exhibited in our public service. This zeal is not only contrary to the rule of law, but rather ascribing to it, and carries itself beyond the spirit of the law.

Honourable senators, this company was incorporated in 1937 by a federal charter, and from that date until 1962 it carried on the business of manufacturing air compressors, condenser units and pumps in its plant in Port Hope, Ontario. During this period it was a wholly-owned subsidiary of an American company, Dunham-Bush, Inc., which had its head office in Hartford, Connecticut.

Without going into the details of corporate transactions, which are not relevant to the matter now under consideration, there was an amalgamation and the assets of the company that we are concerned with were transferred and sold to a company called Dunham-Bush of Canada Limited, which is an Ontario company. That company, of course, was again a subsidiary manifestation of its U.S. parent. Dunham-Bush, which acquired the assets of the company named in the bill, carries on business now in Weston, Ontario, a suburb of Toronto and it employs approximately 300 people. In addition to that, it has a very substantial sales force throughout Canada.

When the assets of the company referred to in the bill were sold to the company which now holds those assets, the consideration was by way of a promissory note. These were not arm's length transactions, but transactions of a legal nature. The transaction involved payment by way of a promissory note bearing interest at 5 per cent in the amount of

approximately $500,000. What we have seen so far are merely legal arrangements to accomplish the best context in which business can be carried on. This company, Brunner, which is the subject matter of this bill then became merely a corporate shell having one asset, being this promissory note of $500,000, and it became inactive.

Dunham-Bush subsequently incurred substantial operating losses here in Canada, and probably there was within it a management problem because during this period the comptroller, a man who, like myself and like many of us, resented the multitudinous government forms that are put on one's desk for the purpose of filling out. I know many of my legal colleagues here have annual returns forms for clients piling up on their desks and the dull duty of completing them for the clients is very often set aside. Needless to say, many companies and their management have the same problem that this creeping bureaucracy has thrust upon us. As a result, in this case returns were not filed for two years.

I remember in my practice filing annual returns for two years or three years in arrears. That was normal because of the unimportance of the substance and the accepted practice. Unfortunately, the provisions of the federal act were amended, removing the discretionary aspect as to the consequence of failing to file within the stipulated time.

Now we have a very lucid example of zeal. The company's charter was cancelled. Flowing from this—and this my legal colleagues know could happen to any one of their clients—was a tax consequence. Now we go into the "Alice in Wonderland" of the Income Tax Act, that act which we have under consideration now in the Standing Senate Committee on Banking, Trade and Commerce in connection with the White Paper.

As I mentioned, the consideration for the transfer of assets was a promissory note. At the time of this automatic dissolution, resulting from the comptroller's neglect to file for two years, there was an inter-company debt of approximately $500,000. Within the Brunner Company there was a thing called "undistributed income on hand." This was not money in the bank, but a mythical figure that is produced and based on a formula under the Income Tax Act.

Under the terms of the Income Tax Act, the dissolution of a company deems the "undistributed income on hand" to have been received by the shareholders as a "deemed dividend". In addition, if the shareholder happens to be an American parent company, there is another 15 per cent withholding tax.

Hon. Mr. Haig: We are in pretty bad shape at the moment.

Hon. Mr. Lang: There is also, under section 105 of the Income Tax Act, a "designated surplus" section which says that when a company has "undistributed income on hand" and its shares are acquired by another company, there is immediately imposed a tax of 15 per cent.

The exposure under this "Alice in Wonderland" permutation and computation results here in a possible tax of $150,000 to the companies involved. This combination of circumstances has resulted in a very serious situation for this company and its U.S. parent.

What is a serious consideration is that if this charter is not revived—and it can only be revived by an act of Parliament—the American parent company will probably close down its Canadian operations, causing a loss of employment for approximately 300 people.

I am going to ask that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce. I hope we can assume that the Department of National Revenue will not be there to object, although I cannot be sure of that. It will be very interesting to see whether they do attend. But once we start to enforce our Corporations Act or administer our tax laws in a way that destroys jobs, albeit it was the result of the zeal of a minor official in the Department of the Secretary of State, we are starting to damage our economy in a way completely disproportionate to the issues involved.

Honourable senators, as a result of this same problem, there has been one other bill passed in the last session of Parliament. I anticipate, if the present attitude of certain officials is maintained, that we will see more of these bills.

Recently we felt we had got away from having to deal with bills that provide for such routine things as alternate French names for companies, but now we are experiencing another problem of the same nature which Parliament will have to deal with because of the attitudes of officials and their administration of legislative provisions we ourselves have passed.

Honourable senators, as I indicated, if this bill receives second reading, I will ask that it

be referred to the Standing Senate Committee on Banking, Trade and Commerce. Senator Hayden has assured me that we will be able to deal with it next week, at which time we will not only hear the principals involved, that is, the officers of this company, but also see whether there are any contra-representations from the departments that have created or may stand to benefit from this unfortunate situation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

PAROLE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. J. Harper Prowse moved the second reading of Bill S-19, to amend the Parole Act.

He said: Honourable senators, this bill provides for two amendments to the present Parole Act. There is an amendment to section 11A which was inserted in the 1968-69 session, and an amendment to section 17 which deals with situations where people are convicted of an offence while on parole and a second sentence is imposed by the court.

The other situation has to do with a person serving more than one sentence, or who may have been convicted of an offence and sentenced, and subsequently while in prison or after release on parole, may then say that there are some other things to be cleared up, and he comes back into court to be dealt with again. Alternatively, the police may find that there are other offences that he should have been charged with, and the court then sentences him for the second, third or fourth offences, as the case may be, in order to clear the situation up.

In these situations ordinarily sentences are given concurrently, that is, to run at the same time. The ordinary principle is that a sentence shall begin on the day on which the sentence is imposed and shall run to the expiration of the time imposed, less the statutory remission which is one-quarter of the sentence, plus any time off for good behaviour which is calculated at three days a month and which is called "earned time remission."

In order to work out how much time a man actually should serve, it is necessary in the first instance to find out the amount of time to which he has been sentenced. For example, taking a complete absurdity, let us suppose a man were found guilty of five different offences of breaking and entering and, having been convicted, is sentenced by the court on each count to four years in penitentiary. Now, taking it to a ridiculous extreme, he gets one-quarter of the time imposed for each individual offence remitted for good behaviour. This would mean in effect that he was owed one year of time.

Honourable senators, I realize that that is taking it to a ridiculous extreme which obviously nobody intended. Nevertheless, a year ago when the act was amended, it was thought that it had been made quite clear that when a man is convicted at a particular time and then later is convicted and sentenced on another offence, that the date of the commencement of the sentence on the second offence should be the day on which the second sentence was imposed and not from the day of the sentence for the first offence.

Let us take another example using specific dates. Suppose that on January 1 of this year a man is convicted and sentenced to two years plus a day in penitentiary. Ordinarily he would be due for release on January 2, 1972. But let us further suppose that on July 1, 1970, he is sentenced to a further term of two years. You would then expect his release to be on July 1 or July 2, 1972. In other words, the total sentence he would have to serve would date from January 1, 1970 until July 1, 1972. That is to say, the two sentences would overlap except for the first six months and the last six months. Now, this question came before a judge in one of our courts, and his interpretation and reading of the act was that when a man was convicted of a subsequent offence, while he was already in jail, even if such conviction followed six months after the original sentence, and he was sentenced to a further two years, that sentence would also date from the original date of the first sentence. In other words, honourable senators, the second sentence would date as from the date of the imposition of the first sentence. This could lead to the ridiculous situation where a man could be freed months or years before it was intended he should be.

Other situations can arise where a man goes out on parole. First, the parole can be forfeited by certain acts or behaviour on the part of that individual, but this forfeiture is not

going to come into effect until somebody learns about these acts or behaviour. This might not happen until some considerable time later, which would mean that he could be free for several months before it was discovered that he had done something much earlier which had caused him to forfeit his parole. Then his parole can be suspended and he can be brought back into custody, and there can be a hearing as to whether that suspension should become a complete revocation of his parole because of his improper activities, or he can be let out.

Now, if he is let out, away he goes and nothing further is said about it; but if his parole is revoked or forfeited, the question arises whether this revocation dates from the date of conviction of an offence or from the time he first went to jail. When you realize that revocation carries with it the loss of all of the remissions of time he was entitled to up to the time of his parole or for any time he was in prison before that, it can work to the disadvantage of the prisoner in that he will not get credit for the time for which he should have been given credit while in jail. On the other hand, he may not be penalized and may be walking around quite free, and it can be calculated that he was in jail at that time for the purpose of the sentence.

These examples give some idea of the complexity of the situation that can arise when you start to do an accounting of what would appear on the surface to be a very simple matter.

The technical provisions as set out in the clauses of Bill S-19 are as follows. You will note that clause 1 deals with proposed amendments to section 11A, and sets out, we hope clearly, that concurrent and consecutive sentences will run from the dates on which the different sentences are imposed, and not from the date on which the first sentence is imposed. It is hoped that the amendments to section 17(1)(c), (d) and (e) will make clear which times are to be taken into consideration when calculating the length of time a prisoner who has forfeited his parole must spend in prison, and the basis for calculating the amount of any remissions he may have.

Honourable senators, if I were to go into the technical details, I might get mixed up in trying to understand them and in turn you might be confused in trying to understand me. So I shall ask you to take my word for it that this is what is intended, namely, to simplify matters and to ensure that a man is not deemed to have been serving time in prison when he was in fact at large, and to ensure that he does get credit for any time he was in jail during the period when efforts were being made to catch him.

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

TEXTILE LABELLING BILL

SECOND READING—DEBATE ADJOURNED

Hon. Lazarus Phillips moved the second reading of Bill S-20, respecting the labelling, sale, importation and advertising of consumer textile articles.

He said: Honourable senators, before proceeding with the examination of this bill—which I propose doing in two stages; firstly, by a general introduction and, secondly, by what I hope will be a succinct and clear summary of the bill itself, together with references to certain statutes in relationship to the bill—I will ask honourable senators to be good enough to keep in mind the following statutes to which I will be referring. The first is The National Trade Mark and True Labelling Act passed in 1949, chapter 31 of the statutes for that year. The second is the Hazardous Products Act passed on June 27, 1969, chapter 42 of the statutes of that year. The third is the old Food and Drugs Act which has been consolidated with a host of amendments and which is available in respect of these amendments up to August 13, 1969, the original act being chapter 38 of the Statutes of Canada, 1953. The fourth is the Precious Metals Marking Act, chapter 17 of the statutes of 1969. And the last is the Fisheries Act, Revised Statutes of Canada, 1952, chapter 119, as amended.

Honourable senators, it is my privilege today to introduce Bill S-20 entitled an Act respecting the labelling, sale, importation and advertising of consumer textile articles.

Honourable senators will appreciate as I proceed that this bill is extremely interesting, that it covers new ground, and that it should be welcomed by all consumers, particularly by the women of this country who largely bear the responsibility for purchasing the family requirements in clothing and other household textile articles.

Not too many years ago, before the advent of synthetic fibres, the average housewife could make an intelligent selection from among the rather limited range of fibres on

the market, such as wool, cotton, silk, linen and rayon. She could assess the quality and suitability of the fabric for the purpose for which it was to be used. However, in recent years the industrial progress and technological advancements achieved in the chemical and textile fields have brought immeasurable benefits to the consumer in providing a much broader range of man-made and synthetic fibres. These advancements have improved our way of life through the introduction of many modern innovations, from wash-and-wear clothing to indoor-outdoor carpeting. However, they have been accompanied by a great proliferation in textile terms and fibre trade names which have vastly complicated the task of the consumer in making an intelligent selection of fibres and the proper assessment of the fibre products on today's market.

This bill is a response by the administration to the requests and needs of the consumers, manufacturers and retailers of such textile articles. By providing this legislation, the Government is assuming a leading role in ensuring the right of the consumer to be informed of the material composition of textile products which they purchase.

The old principle, as we who are lawyers used to say, *caveat emptor*—let the buyer beware—will no longer apply in respect to textiles offered for sale at the retail level, since this act will protect the consumer against unfair and deceptive trade practices in the labelling and advertising of textile fibre content. The seller will be required to provide the information which will help the buyer to make a knowledgeable purchasing decision.

It is the intention that retailers will also derive protection comparable to that afforded the consumer, by the requirement that the label be affixed by the supplier of the completed article. This will therefore considerably narrow the communications gap now existing between the consumer and the manufacturer of textile products.

We are all consumers of textiles. It is estimated that each honourable senator in this chamber is at the moment wearing approximately four to five pounds of the kinds of consumer textile products which will be subject to the proposed legislation.

If honourable senators give this bill second reading, it is my intention to move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce for more detailed study, before which committee the departmental officials will be available. In 1969 Canadians used in excess of 700 million pounds of textile products, or approximately 33½ pounds per capita, and it is estimated that the total value of products subject to the provisions of this proposed legislation is approximately $1.4 billion annually.

The consumer has always been familiar with the general names of the natural fibre products—for example, wool, cotton, linen—and has not had much difficulty in recognizing the inherent properties of these fibres which determine the performance and care characteristics. However, as I have mentioned, there have been remarkable technological developments in this field which—and I am sure this will be of interest to honourable senators. They have resulted in the share of natural fibres entering the consumer market dropping from 82 per cent in 1950 to 64 per cent in 1968. The consumer is therefore confronted with and is often confused by the quagmire of man-made fibres offered for sale under a multitude of trade names—to quote but a few: Arnel, Antron, Avisco, Avril, Nylex, Nypel, Nytelle, Fortrel, Verel. This list can be expanded since there are over 2,000 trade names for man-made fibres used in the textile trade. The use of trade names may often be helpful since some are household words, but many more are not. Consumers want to know how the incorporation of various fibres in the product will influence its suitability, durability, comfort, ease of care and aesthetic properties. It is a basic goal of this bill to provide consumers with as much information as they reasonably require to make informed choices and to prevent fraud and deception.

The present regulations in this field prohibit mislabelling and protect the consumer from fraud to this extent, but there remains a major gap where no information is offered. The only legislation with respect to the labelling of fibres are the regulations respecting the labelling of textile materials, P.C. 1955-1515, and regulations respecting the labelling of hosiery, P.C. 1962-1239 as amended by P.C. 1964-517, both passed pursuant to section 5 of The National Trade Mark and True Labelling Act which honourable senators will recollect I referred to earlier in my remarks.

The provisions of the existing legislation are based on the approach that a dealer presently does not have to label his product at all. In other words, presently there is nothing mandatory. But, if he does so label, then the labelling must be accurate. That is to say, all

such labelling must be in accordance with the regulations to which I have referred.

Another inadequacy is that the use of the natural, chemical, technical, or trade name is permitted, whether or not such name is a registered trade name. While there are manufacturers who do label informatively, generally this is not the case unless there is a competitive advantage in doing so.

In most cases, those articles which are labelled usually do not show the fibre content by percentage, and designations of synthetic fibres are often by trade names. The consumer textile market and the textile technology in Canada are very similar to those of the United States, and because of the large volume of trade occurring between the two countries it is desirable that the regulations adopted in Canada be consistent with those of the United States. This will be largely achieved by the provisions of the proposed legislation.

The provisions of the bill before us, honourable senators, will therefore require mandatory labelling of prescibed consumer textile articles to disclose by generic names all fibres constituting five per cent or more of the total fibre content. In addition, the disclosure will be expressed in terms of percentage for each constituent fibre. Further provisions prohibit any false, misleading, or deceptive representations being used in association with any textile fibre product by means of a label or advertisement.

Other basic provisions embodied in the bill relate to offences, penalties, and disposition of articles upon conviction, powers for enforcement by inspection, seizure and analytical evidence, and the authority for the Governor in Council to make regulations relating mainly to the technical and operative areas. This structure will provide the flexibility required to keep operative provisions up to date with technological advancements in industry, and provide the consumer with meaningful information and protection.

With this background, honourable senators—which I hope will be of help in explaining the details of the bill—I come now to the bill proper.

The bill contains 18 sections. I need not detain you with respect to section 1 which merely gives the name of the bill as the Textile Labelling Act. The interpretation section at this stage also does not need to be explained. The hard core of the bill will be found in sections 3, 4 and 5.

Section 3 deals with the labelling of textile products. The labelling comes under two headings—that is, labelling that will be mandatory, and labelling that is to be established by regulation. This is a new feature. We will now have a situation wherein certain generic types of textile products will be determined as those that require mandatory labelling. In respect of those that do not require mandatory labelling, then once it is wished so to label the product, the merchant or supplier or importer, as the case may be, will have to comply with the regulations as provided for in this bill. Section 3 is the real heart of the act.

Section 4 is also an important part of the bill, and deals with the subject matter of advertising of such textile products. The advertising of such products must be related to the provisions of section 3, mandatory or otherwise, as the case may be.

Section 5 of the bill covers the subject matter of false or misleading representation. In other words, under either section 3 or section 4 technically you could have a formal compliance with the bill from the point of view of the determination of the ingredients in the textile product, but by skillful manipulation of wording, or emphasis, or large print as against small print, or by symbols—for instance, there could be a small symbol of a sheep in the corner which would imply that there is a wool content even though it is not declared in the label that there is wool. You could have formal compliance with the statute, but you could nevertheless have a false or misleading representation.

Sections 3, 4, and 5 therefore compose the hard core, as I call it, the vital part of the bill.

Section 6 deals with the labelling of each product, and provides that the generic name of each textile fibre comprising 5 per cent or more by weight of the total fibre weight of the article shall be shown, and, subject to the regulations, the percentage by weight of the total fibre weight of the article of each textile fibre named, and also the identity of the person for whom the textile product is manufactured may also be so indicated.

It is of interest to note, honourable senators—and this is based upon the American experience—that in addition to the natural fibre, to which I have just referred, such as cotton, wool, et cetera, for purposes of con-

ciseness and reasonable simplicity, man-made fibres will be placed into about 16 groups or families.

Section 7 of the bill provides for the employment of analysts who, of course, will be employed by the department to deal with the subject-matter of compliance or non-compliance with the provisions of sections 3, 4, 5 and 6.

Hon. Mr. Connolly (Ottawa West): Does the honourable senator object to a question at this moment?

Hon. Mr. Phillips (Rigaud): Certainly not.

Hon. Mr. Connolly (Ottawa West): The honourable senator said that man-made fibres will be separated into 15 or 16 categories, if I understood him correctly.

Hon. Mr. Phillips (Rigaud): Yes.

Hon. Mr. Connolly (Ottawa West): Will that be done by regulation?

Hon. Mr. Phillips (Rigaud): It will be done by regulation, and in due course I will indicate the names I have available for that purpose, if that is agreeable.

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

Hon. Mr. Phillips (Rigaud): We now come, having disposed of the substantive part of the bill, to the enforcement part. In dealing with this part I draw the attention of honourable senators to the fact that these clauses have borrowed in terms of precedent from the procedures followed in some instances in the Food and Drugs Act and the Hazardous Products Act. That is the reason for previously referring honourable senators to these two acts. Under section 8 there is authority for entry and search of the premises of any person if it is reasonably felt that there has been a violation of sections 3, 4, 5 and 6 of this bill.

Under section 9 it is an offence to obstruct an inspector who visits the premises with a view to determining whether there has been an infraction under this act. It is an offence to give false information or to interfere with the seized products. Section 10 is interesting, dealing with the subject matter of the seizure and detention of the articles seized. I will read this section because of its importance in connection with the usual reaction as to whether we are interfering with the property rights of the citizen. After seizure as provided for, subsection 2 of section 10 provides that:

> (2) A textile fibre product or other thing seized pursuant to subsection (1) shall not be detained after
>
> (a) the provisions of this Act or any regulations that are applicable to the textile fibre product or other thing have, in the opinion of the inspector, been complied with, or
>
> (b) the expiration of ninety days from the day of seizure or such longer period as may be prescribed with respect to any textile fibre product,—

Under subsection 2 this power to detain the product differs from the counterpart in the Food and Drugs Act, in that the latter act empowers the inspector to detain the goods for such time as may be necessary. Under the Hazardous Products Act a person may apply for an order of restoration within two months after seizure, but if no such application for order of restoration is made the article may be delivered to the minister for disposition. A similar limitation of this kind as to time during which the goods may be held appears in the new Precious Metals Marking Act. You will now see why I have referred again to these acts. After seizure there must be action within 90 days or in such longer period as may be prescribed with respect to any textile fibre product.

When asking the officials and counsel for the department for an explanation as to why longer periods may be required in excess of 90 days, I was informed that there are and may be certain types of textile products which may require analytical determination that will take longer than 90 days for the purpose of arriving at conclusions. Therefore, with respect to certain types of these products more than the 90 days may be required and will be covered by regulation.

Section 11 deals with more or less normal provisions covering regulations that are required in order to give administrative effect to this bill. In this connection I will deal with the subject matter referred to by Senator Connolly (Ottawa West).

In section 11(1) paragraph (i) there is provision that by regulation we may prescribe generic names for textile fibres. The memorandum that I have on this point is that these are classified as family names. There will be family names for such man-made fibres. Most of these, excepting perhaps rayon and nylon, have not been widely used, and the appropriate names therefore will be set out in the

regulations. The other generic names known at the present time are acetate, acrylic, modacrylic, metallic, polyester, vinyon, saran, glass, olefin, vinyl, rubber, spandex, azlon and nytril. It is under this heading that I indicated previously that, based upon American experience, there are about 16 groups or familiar names which will be introduced in the regulations for the purpose of dealing with the subject matter of the necessary labelling mandatory, or mandatory after the dealer has decided on a voluntary basis to label his products.

So much for section 10 and the regulations. Honourable senators interested will be able to deal with the subject-matter in more detail with the officials when we proceed in the Standing Senate Committee on Banking, Trade and Commerce.

We now come to the teeth of the bill—fangs, I might almost say, and I think worthwhile fangs from the point of view of the offences and punishment. The pertinent section is section 12 of the bill. I would like honourable senators to indulge me by giving me a moment to read this section:

> 12. (1) Every dealer who violates section 3, 4 or 5 is guilty of an offence and liable
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> (a) on summary conviction, to a fine not exceeding five thousand dollars; or
>
> (b) on conviction upon indictment, to a fine not exceeding ten thousand dollars.

Note, honourable senators, this applies to dealers who should know better if they commit the offence. Subsection 2 refers to a person who commits an offence under this section, as distinguished from the dealer. In his case he is liable on summary conviction to a fine not exceeding $1,000 or to imprisonment for a term not exceeding six months, or to both. On conviction upon indictment he is liable to a fine not exceeding $3,000, or to imprisonment for a term not exceeding one year, or to both. In order to compare the nature of the commitment that it is proposed to mete out, honourable senators will be interested in the present federal legislation in the textile labelling field. They are to be found in the textile materials marking regulations and the hosiery marking regulations, made pursuant to the National Trade Mark and True Labelling Act. The penalties for violation of the regulations, provided by section 8 of that act, as passed in 1949, were: upon summary conviction or conviction on indictment, for a corporation a fine not exceeding $5,000, and for an individual a fine not exceeding $1,000 or imprisonment for not more than six months, or both.

There is this further quotation with respect to the present law, or in terms of guidance for honourable senators, that while dealers—that is to say, corporations for the most part—can only violate sections 3, 4 and 5, persons, which includes dealers, can be guilty of such offence as obstructing an inspector or interfering with seized articles where, as has been noted a few moments ago, the punishment is less.

Section 13 is interesting and important, and provides that a dealer commits an offence when his employee does it. A dealer cannot hide behind the acts of his employee:

> ... unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

Any proceedings by way of summary conviction under this act may be instituted at any time within twelve months after the time when the subject matter of the proceedings arose.

On section 14, I need not detain honourable senators as it deals with the evidential value and significance of the certificate of the analyst, who by a previous section is one who will be expert, and his expertise will be established.

Section 16 deals with the forfeiture of goods that have been tainted, as it were, as a result of not complying with the provisions of the statute. There is an interesting provision under subsection 2, which refers, for the benefit of my Maritime friends, to section 64A of the Fisheries Act, because at first blush one wonders why I referred in the statutes to be studied to the Fisheries Act. Section 64A of the Fisheries Act contains a provision that when certain items are seized under that act, such as a ship, if an innocent owner or creditor who had a lien or a mortgage on the ship can prove before a court that he had nothing to do with the commission of the offence, the interest of that creditor will be protected by taking the appropriate judicial proceedings *mutatis mutandis*—as we so-called learned lawyers say—by following the provisions of section (a) of the Fisheries Act.

Again I need not detain honourable senators with section 17, under which provision is made with respect to certain transitional features which can be dealt with in committee.

Section 18, provides that the act shall come into force on a day to be fixed by proclamation.

Honourable senators, I have through the years been in one form or another professionally associated with the problems of the textile industries with offences that have been commit ed by dishonest people in marking their products, and I consider it an honour and a privilege that my leader in this house has given me the opportunity to present this bill, which I strongly commend for your approval. If I succeed in obtaining second reading, I have indicated my intention to ask that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce for detailed consideration.

Hon. John J. Connolly: Could I ask the honourable senator a question before there is further debate. I must say that the question is not prompted by my own acuity in the discussion that took place. I should perhaps preface my question by saying that the explanation given by Senator Phillips (Rigaud) has been extremely able and clear.

My question has to do with the problem of onus and where that onus falls. The honourable senator was heard to say that it could fall upon the retailer as well as upon the wholesaler and the manufacturer. As I read sections 3, 4 and 5, the reference is to the dealer. "Dealer" is defined in section 2(e) as:

> —a person who is a manufacturer, processor or finisher of a textile fibre product or a person who is engaged in the business of importing or selling any textile fibre product.

I know there are probably opportunities for retailers to infringe certain provisions of this legislation, but as I read sections 3, 4 and 5 the onus is upon the manufacturer, processor or finisher, not the retailer.

Hon. Mr. Phillips (Rigaud): With the greatest respect to Senator Connolly (Ottawa West), I would say the normal procedure would simply be that if the accused is brought before the court the burden of proof is upon the Crown to make its case, and the defence makes its case in the ordinary way.

Hon. Mr. Connolly (Ottawa West): Oh, yes.

Hon. Mr. Phillips (Rigaud): If by any chance I made an observation that the entire burden would be shifted to the shoulders of a retailer rather than the producer, I certainly did not mean that. The normal procedure, once the charge is laid, would be that followed by the Criminal Code, because incidentally the power is given under this act because criminal offences are being created.

Hon. Mr. Connolly (Ottawa West): I appreciate the point the honourable senator is making, but my question is this. Is it not a fact that in the legislation the prohibitions apply primarily to the manufacturer, the processor or the finisher, and not to the retailer?

Hon. Mr. Phillips (Rigaud): I believe that the word "dealer" referred to in sections 3, 4 and 5 would, as I see it, having regard to the definition in section 2(e), apply specifically not only to the manufacturer, processor or finisher, but also includes a person who is engaged in the business of selling any textile product. Thus a retailer is included. The honourable senator will see that sections 4 and 5 deal with advertising the product, and false and misleading representations related to the product would include retailers.

Hon. Mr. Isnor: Where do you find the word "retailer" in the bill?

Hon. Mr. Phillips (Rigaud): I believe the question put to me is whether the term "retailer" is defined in the regulations. As far as I can see the answer is no.

The Hon. the Speaker: May I ask honourable senators to please be kind enough to rise when asking questions.

On motion of Hon. Mr. MacDonald, for Hon. Mr. Blois, debate adjourned.

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, February 3, the debate on the motion of Hon. Mr. Martin, that the Senate do unite with the House of Commons in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

Hon. John M. Macdonald: Honourable senators, I wish this afternoon to make a few brief comments on the proposal to set up a joint committee to examine proposals to amend our Constitution.

First of all I wish to state that I am wholly in agreement with those senators who have

already spoken and who have said that this proposed committee can perform a very useful and important work. Over the past number of years we have been trying to arrive at a consensus as to what amendments are necessary, or at least desirable to our Constitution. While progress has not been too manifest, I think all discussions at the various conferences have been helpful and perhaps a pre-condition, as it were, to arriving at a satisfactory conclusion. Of course, we do not know just how successful this new study will be, but in any event it should be a further step toward finding a satisfactory solution to our constitutional difficulties. It may indeed, and I hope it will, have a lasting and beneficial effect on the future relationship of Canadians with one another through a new or amended definition of the powers of various levels of government.

Honourable senators, while all of those who are interested in constitutional matters will understand and appreciate the importance of this proposed study, I would not expect the public at large to regard it in the same light. I do hope the committee will not be disappointed or become discouraged if they find their work is not regarded by all as of vital importance or of overwhelming urgency. I hope the work of this committee may generate valid and vigorous controversy, but I would not be surprised if it did not. We must always remember that many Canadians are preoccupied and worried with economic matters. They will probably be mainly concerned with those constitutional proposals which they feel will be of economic benefit, and there will be some.

In his speech on this subject, the Leader of the Government (Hon. Mr. Martin), mentioned that the study will deal with the official languages, fundamental rights, the distribution of powers between the federal and provincial governments, the reform of institutions linked with federalism, with regional disparities and with amending procedures. I am sure these do not exhaust the number of subjects that will be discussed and considered.

Honourable senators, I do not propose to speak on all these matters, but two of them are of particular concern to me. These are regional disparities and amending procedures. When we speak of regional disparity in relation to the Constitution I think it emphasizes once more the great weight economic considerations have in our concept of a strong united Canada. Perhaps I do not express it too well, but it is my firm conviction that most, if not all, of our problems have an underlying economic cause or reason, and if the economic problem can be solved then the solution can be found for the remainder of the difficulty. What I am trying to say is that if the problem of regional disparity in Canada could be solved, then we would soon arrive at a solution of our constitutional problems. I think there is no doubt but that a person's attitude towards constitutional matters, even his thinking about them, is greatly influenced —perhaps even more than he himself realizes —by the economic environment in which he lives and works.

Honourable senators, we all want Canada to be strong and prosperous. We want it to be a country where all the people can live and work together in peace, harmony and unity, respecting each other's rights and privileges and accepting their duties and responsibilities to the end that we are worthy of this wonderful land, a land blessed by the Creator perhaps above all others. We will never be worthy of it until we give to all Canadians, no matter where they live, an equal economic opportunity.

Honourable senators, no matter what recommendations the committee may make and no matter how wise and beneficial they may be, they will be of no value unless they can be put into effect. This means that a satisfactory formula must be found whereby we can change and amend our own Constitution. To me it is utterly ridiculous and fantastic that in this day and age we must go to the Parliament of Great Britain to seek amendments to parts of our Constitution, which is the British North America Act. It must be most embarrassing to that body to have to deal with this matter, and it is humiliating for us to have to request them to do so. It is our own fault and not theirs that this situation exists. We have been unable to agree on a formula to change our Constitution in Canada.

Attempts to find such a formula have been made, and some which have been formulated and advanced by very able men have nearly had acceptance. So I believe, that this proposed committee should address itself at once to the great problem of finding a formula whereby we can amend our Constitution in Canada. The present way of appealing to the Parliament of Great Britain is not only humiliating, but it is also cumbersome. The Constitution lacks flexibility. It is too rigid. I know that a good many amendments have been made over the years, but remember

that these amendments have been made only with the consent of all the provincial governments and the federal Government. What would happen if the federal Government asked for an amendment to the B.N.A. Act and one or more of the provinces registered objection in London? What would happen if one chamber of the legislature of a province or of the Parliament of Canada requested an amendment without the concurrence of the other? It would place the Parliament of Great Britain in an impossible position.

So, honourable senators, the amendments which have been made to the B.N.A. Act can only serve as illustrating the rigidity of our present Constitution.

There may be some who will say we do not need such a study as is now proposed. They may say there is nothing basically wrong with our Constitution, that it has served us well. Of course it has served us well; it has been a good Constitution, and it is no criticism of it to say that it may now need to be overhauled and changed.

Might I interject at this point that other venerable constitutions than the Constitution of Canada find the need to change. We need only look to the Church to which I belong to see that change is absolutely necessary for all constitutions.

Since our Constitution was formulated, new situations have arisen which could not have been foreseen by those wise men who drafted it. Yes, conditions are different. We have the great movement of population to the cities with all the problems that this has created. These are the new and heavy responsibilities of the provinces and municipalities. We have the tremendous cost of education and of the shared welfare programs. In many cases we have the crushing burden of municipal taxation. These are hard problems which must be solved, and which I for one do not believe can be solved without some far-reaching amendments to our Constitution.

Honourable Senators, there is no need to examine the motion in detail. I think it is wide enough to give all the powers that are necessary to make an extensive and detailed examination of all the proposals which may be put forward to change our Constitution.

I note in passing that there has been omitted from this motion a paragraph which we usually put in similar Senate motions. There is nothing here which would give the committee the power to engage the services of such counsel, staff and personal advisers as the committee might deem necessary for the purposes of its inquiry.

With these few remarks, honourable senators, I wish this committee every success. Even if it is not wholly successful, the committee's recommendations will be of great value.

Hon. Mr. Choquette: I wonder if the Leader of the Government can explain why the usual provision for counsel, staff, and so on has been omitted from the motion?

Hon. Mr. Martin: I believe that when the members on this committee from both houses meet, this and other matters will be discussed.

Hon. Orville H. Phillips: Honourable senators, I shall not delay you long. Like Senator Fergusson, it was not my intention to speak on this motion but I have been inspired by her remarks. I cannot be as emphatic as she was. I would like to express my surprise and shock that, when looking around the Senate as the honourable Senator Fergusson spoke, many senators seemed to be unaware that the Senate was constituted on a regional basis. I think the most surprised face was that of the Leader of the Government in the Senate—I am sorry he has had to leave for a moment—and I could detect surprise on the part of other honourable senators. This rather irked me and encouraged me to make a few brief remarks.

If you have any doubt as to the wisdom of regional representation, go back and read the discussion at the time of Confederation. There you will find the basis for the Senate. I do not think that today anyone could find anything in that to complain about or to disturb him. If I may be rather facetious and not detract from the excellent remarks of Senator Fergusson, I would point out that the Senate membership on the proposed joint committee comprises seven members from what we call in the Maritimes, Upper Canada, and three from the rest of Canada. It is shocking when you see it on paper, but I say to my friend that we have had 100 years of this 7 to 3 basis, so it really does not disturb me.

On the point she brought out, and which I would like to emphasize, we note there is no woman on the Constitution Committee. This is very disturbing when you study it, but it may be some consolation prize to hold out to honourable Senator Fergusson that there is a Royal Commission on the Status of Women at present in existence and perhaps it will recommend allowing ladies to become part of

the Constitutional Committee. I say "ladies" rather than "honourable lady senators," and I make that distinction because perhaps some day a lady member of the other place may serve as a member of the committee.

Hon. Mr. Fournier (Madawaska-Restigouche): And put men on the Royal Commission?

Hon. Mr. Phillips (Prince): No, Senator Fournier, there are enough men on royal commissions. But it may be that we will get a royal commission on the status of men, so be optimistic.

Senator Grosart, in a well-thought-out speech emphasized that we tend to forget that certain parts of the Constitution have worked extremely well, that we have done well in 100 years, that we have become the third nation in the world, at least as far as the standard of living is concerned. Then he went on. He opened the door and asked for suggestions to be directed to members of the Senate who will serve on the joint committee. Here is where I would like to make my suggestions.

I believe it is honourable Senator O'Leary who is always pointing out to this chamber that 90 per cent of the effective legislation is comprised of regulations that are passed by orders in council. In other words, 90 per cent of the work of our Government is done by order in council; and it is a fact that these orders in council are never checked either in the House of Commons or in the Senate. I realize that this is rather shocking, and it would be interesting to know what the reaction of the average Canadian would be if he knew that. But of course the average Canadian reading the newspapers or watching television thinks of Parliament as being in session. He does not realize that 90 per cent of Government—to use the word "Government" for want of a better expression—is being done by order in council. Not only is it being done by order in council, but those orders in council are often carried out with as few as three members of the cabinet present to pass them.

I am now going to propose a complete change in our electoral system. I am going to propose that each party nominate 25 members to form the cabinet. I put in the number 25 on purpose, because, if I did not put in 25, the Liberals would nominate 265 for the House of Commons and make them all cabinet ministers. They are having difficulty keeping backbenchers now. But let us limit it to 25 honourable members and let them pass their orders in council. There is a certain basis for doing it that way. The Government complains about the difficulty of getting legislation through the House of Commons. Think how much easier it would be to bring it out in the form of an order in council. Moreover, consider the cost of maintaining the other place. When an honourable member speaks in the other place it costs around $1,000 a minute. If you were to take that figure, or even half of it, and then consider the speeches of Stanley Knowles, for instance, you would find that the cost of his speeches would be equivalent to the cost of a second Trans-Canada Highway. Which would the average Canadian prefer—a copy of the speeches of Stanley Knowles or a second Trans-Canada Highway?

Hon. Mr. Martin: Who is Stanley Knowles? Is he a member of the House of Commons?

Hon. Mr. Phillips (Prince): I believe he is vaguely connected with Winnipeg, or possibly it is with Windsor. I am not sure of that, but it is either one of those centres.

Then consider the riding of Essex and the former member there. I think since 1930 he has taken up with his speeches a cost equivalent to the cost of the proposed Prince Edward Island causeway.

There are indeed many reasons for agreeing with me that we should abolish the House of Commons.

One really appealing reason for doing so is that the chamber itself could be used as a sort of centre for a continuous federal-provincial conference. And as honourable senators know, that is the sort of thing that could be considered "in" today. Today you have to be "with it," to be doing the "in-thing", and since the Government of today seems to be very interested in being "in" and "with it", we could have a continuous dominion-provincial conference going on in the other place.

Now, I do not want to gloss over or ignore the fact that there have been certain suggestions concerning change or reform, if I may use that word, of the Senate. I have made certain suggestions in that regard myself. I should like to suggest that this chamber could then be constituted of so many members, still on a regional basis, with one-half appointed by the federal Government and one-half appointed by the provincial governments, and it could then sit in judgment on the orders in council passed by the federal cabinet. Perhaps, if we carried my suggestion to its logical and orderly conclusion, the Senate could

also sit in judgment on the orders in council passed by the provincial governments. Then we could also abolish our provincial legislatures. Doing that would meet the requirements of all the people who want to tear down our Constitution and give us a new one. We would then be able to start from nothing and be in the same position as Chairman Mao: we would have torn down but would not have been able to build up.

I hope honourable senators who have been appointed to this committee will bear my lighthearted remarks in mind when performing their duties on the committee.

On motion of Hon. Mr. McDonald, for Hon. Mr. Croll, debate adjourned.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—SECOND READING

Hon. W. M. Benidickson moved the second reading of Bill C-9, to amend the Small Businesses Loans Act.

He said: Honourable senators, you will share my sorrow that the honourable gentleman who it was intended should sponsor this bill and address to you the preliminary and explanatory remarks concerning it, our distinguished friend and revered colleague, honourable Senator Roebuck, is not able to be here today owing to his recent ill health. I have inherited the notes of this hard-working senator, notes which he prepared in anticipation of speaking on this occasion. I know that we all wish him a speedy recovery.

Hon. Senators: Hear, hear.

Hon. Mr. Benidickson: It is typical of Senator Roebuck that in his notes are to be found some rather cogent remarks, one of which I should like to quote now. These are the words of Senator Roebuck:

> I have been declaring for years that the way to meet the problem of poverty is through the creation of jobs by the promotion of business enterprise—jobs and still more jobs. Were the unemployed taken care of in this way, competition for workers would solve the problem of the working poor.
>
> Well, here we are doing something in that direction; we are making loans to small businesses to assist them in their efforts to compete with big business and to expand.

Also in Senator Roebuck's notes I found a typical suggestion that under this act loans should be restricted to businesses with a turnover, or a volume of sales, under half a million dollars. He pointed out also, and here I use his own words, "that the big fellows do not benefit by this legislation". He also went on to say that the professions do not benefit, and that as a lawyer he could introduce the bill without any self-interest.

Now, honourable senators, from that point on, and having paid tribute to Arthur Roebuck, I want to spell out some of what is included in this amending act. The Small Businesses Loans Act was introduced in 1960 and became effective on January 1, 1961. Under the legislation to date I can now say that in round figures almost $200 million has been loaned solely by the chartered banks. I would further estimate that to date the number of loans totals perhaps 21,000. The Government, of course, under this legislation has made guarantees to the only lenders up to now, which were the chartered banks. The Government guaranteed to them 10 per cent of their losses. The business enterprises which were eligible for financial assistance fall within a wide range of business classes including manufacturing, wholesale trade, retail trade, service business, construction, transportation and communication.

The Small Businesses Loans Act is only one of three similar measures by which Parliament seeks to assist in expansion and improvement projects. The other two acts that are similar are the Farm Improvement Loans Act and the Fisheries Improvement Loans Act. All these acts are limited in their period of operation, and one purpose of the amending bill before us is to extend the effective period of this Small Businesses Loans Act until June 30, 1971. It is intended as a result of this amendment and this extension that the activities of all three acts shall terminate simultaneously and that further extensions and changes may be considered in a group.

Under the Small Businesses Loans Act, as it now stands, loans are made by chartered banks up to a maximum of $25,000 to any one borrower basically for two purposes: (a) the purchase of fixed or movable assets or equipment; (b) the purchase, construction or improvement of business premises. These loans are secured generally by a first charge on the machinery or equipment, or by a mortgage on the business premises, together with a promissory note, and a bank may at any time require further security. These loans

may be paid over a period of up to ten years. This is different from an ordinary application to a bank for a loan because of the guarantee. Bank managers are required to exercise such care in the making of loans for which they obtain a government guarantee as they use in the conduct of their general banking business.

The rate of interest which the bank could charge on loans under the act when the program was initiated was 5½ per cent. This rate continued until 1968 when it was enacted by order in council that the rate should be determined on the basis of the average of Canada Bond yields over the preceding six months, plus a marginal one per cent. At the present time the rate is 8½ per cent. Unlike the companion acts, there was permission in the original legislation to set the rate of interest by order in council.

The amendments to the Small Businesses Loans Act which are before us parallel amendments already made in the Farm Improvement Loans Act and the Fisheries Improvement Loans Act, so that all three acts may operate on a consistent and comparable basis.

As honourable senators will observe in the bill before them, clause 1 is a very important amendment to the original act. It repeals section 2(a) of the existing act so that now, in addition to the chartered banks which for ten years have been the sole lenders, there will be a guarantee extended to other eligible lenders which include credit unions, caisses populaires, co-operative credit societies, trust companies, loan companies and insurance companies as designated by the minister. Clause 2 makes it clear that the minister's liability in his guarantee does not extend to loans made after June 30, 1971, thus extending the time to that date.

Under clause 3 of the bill, honourable senators will notice that by section 5 of the act certain periods of time were constituted as lending periods, and the minister's liability for losses sustained by any one bank on any loan made by that lender bank during any lending period was limited to 10 per cent of the aggregate of the loans made by that lending bank during that lending period.

This was satisfactory when chartered banks were the only lenders under the act and 10 per cent of the aggregate of loans by any lender was sufficient to cover, as a rule, loans made by that lender. But this may not be the case with some small volume lenders which it is proposed to add to those now entitled to make loans under the act. Therefore, in clause 3 there are changes in the amount of the Government guarantee and they vary according to the total amount of the lending. The guarantee shall now be limited to 90 per cent of that part of the loans made to any lender, during the new lending period, which does not exceed $125,000. That is a small volume of lending. Then in the next category there is a guarantee of 50 per cent of that part of such loans that exceeds $125,000 and is not in excess of $250,000. Then the minister's liability by virtue of his guarantee shall be limited to 10 per cent of that part of that lender's loan made during the new lending period that exceeds $250,000.

Clause 3, subclause 2, makes a further change in the original act whereby section 5, subsection 2, of that act is amended by adding an additional lending period to that to which I have already referred. The new lending period has the same termination date as the associated acts, so that the Farm Improvement Loans Act and the Fisheries Improvement Loans Act will terminate simultaneously with the Small Businesses Loans Act.

The amendment in clause 4 limits the minister's liability for loans made during the new lending period to an overall gross by all lenders. The overall gross is divided into two sections: $100 million will be the maximum liability in the case of guarantees to the chartered banks, and $50 million is provided and now added as an aggregate guarantee to the new forms of lenders such as those I have mentioned—credit unions, caisses populaires, co-operative societies, insurance companies, trust companies and loan companies.

In clause 5 of the bill it is proposed that we amend section 8 of the act by adding thereto a further subsection. This amendment is consequential upon the amendment adding the new forms of lenders.

These are the proposed amendments to this statute which was introduced in 1960 and under which, as I have stated, almost $200 million has been provided to small businesses.

It must not be assumed that because the specified lending periods in all three of these associated acts are being made to terminate on a similar day in June 1971, this will terminate federal Government assistance to small businesses, farm improvements and fisheries as defined in these acts. I am assured that the concurrency in termination is for the purpose only of concurrent consideration of all three

acts, so that if amendments are found necessary or advisable, they may apply simultaneously to all three associated acts.

Again, I pay tribute to the industry and homework that was done by our colleague Senator Roebuck on this amending bill.

Hon. Mr. Grosart: Has the honourable sponsor of the bill any information as to the losses which have been incurred in the lending of this $200 million to date?

Hon. Mr. Benidickson: Yes. I made that inquiry and was informed that, on a percentage basis, the losses have been perhaps .4 per cent. In the last annual report, which covered the period ending 1968, the losses were a little over $709,000 on loans of $170 million, or something of that nature.

Hon. Orville H. Phillips: Honourable senators, I must first thank the honourable Senator Benidickson for his explanation of the bill. I find it rather interesting that at the time the act was introduced he was the Opposi ion financial critic. I had hoped to have an opportunity of checking *Hansard* and comparing his speech on that day with today's but, I think rather fortunately for the honourable senator, I did not have the opportunity to do so.

Perhaps the most neglected aspect of our industrial atmosphere in Canada is that of the small business, and I would like to take just a moment to point out to the Senate just how important small business firms are to Canada.

Firstly, we have 440,000 firms that qualify under the designation of small business firms; that is, 90 per cent of the companies registered in Canada. These firms account for half our Gross National Product and for more than 50 per cent of our employment.

While the honourable senator was introducing the bill I was thinking of a small town in this vicinity—I believe it is Eganville, although I would not be sure—which had been given television, radio and newspaper publicity. On one occasion the sawmill, employing 30 or 40 people, burned to the ground. Then, within a few days, the bakery was destroyed by fire. These were two of the few small businesses that kept this small integral part of a province going, and when they were destroyed by fire everyone in the town asked the same question, "What do we do?" I cannot think of anything that better illustrates the importance of small industries to Canada than these particular instances.

Yet, honourable senators, despite the importance and necessity of expanding small businesses, the loans under this act have been steadily declining. In the period from 1961 to 1965 such loans averaged $26 million per annum. In 1966 and 1967 they declined to $20 million per annum. In 1968 they had declined to $11 million. Then, as honourable senators are aware, there was a change in the interest rate, and it is expected that when the final figures for 1969 are available they will show an increase. It is most unfortunate that the objective of the act has not been achieved, and small businesses are still groping around for financing.

As Senator Roebuck stated in the remarks that he was preparing for this occasion, big business was excluded from this act. Big business can usually go out and find money for itself. It is the small-town business that needs assistance, and yet, somehow—not intentionally, I would be the first to admit—we do not seem to be achieving the objective of the act.

If I may for a moment consider why we are not accomplishing what was primarily intended as the purpose of the act, in the committee stage before the other place the minister introducing the legislation stated that it gave complete authority to the local bank manager to decide whether he would grant a loan under this act. Perhaps this is one reason why we have fallen down badly in regard to the administration of this act.

If I may digress for a moment, I will tell you a story about the manager of a small-town bank who had an artificial eye. He was very sensitive about it and yet was proud of the fact that it was such a good imitation. A certain businessman was trying to persuade the bank manager to extend him a loan, but he was making no progress. After he had hammered away for some time, the bank manager said, "I have an artificial eye. If you can tell me which eye is artificial I will give you the loan." The businessman looked at him and said, "It is your right eye." The manager was taken aback and asked him how he knew that, to which the businessman replied, "It has more sympathy in it than your left eye."

Honourable senators, perhaps it is in this respect that we have fallen down.

On reading the debate which took place on this bill in the other place I noticed that some participants want greater pressure placed upon the banks to make more loans available under this act, the Farm Improvement Loans

Act, and the Fisheries Improvement Loans Act. I have to agree with those members. I think that in the future when this act is being reviewed we must consider that perhaps a certain percentage of loans in the small towns and villages should be classified under what I call the Big Three.

Senator Benidickson, in introducing this bill, stated that the guarantee was being changed. I should like to draw the attention of the Senate to the remarks of the honourable the Minister without Portfolio who introduced this bill in the other place. His remarks are to be found at page 781 of the House of Commons *Hansard*. As I interpret them he said that presently 10 per cent of the aggregate loans in effect cover 100 per cent of the losses suffered by the banks. Then he went on to point out that he thought this was an improvement. He said that the coverage would be 90 per cent of the aggregate value of the first $125,000. This, as I pointed out earlier, is a very limited number of loans; in fact, it could be only five maximum loans. Then the coverage drops back to 50 per cent, and after ten maximum loans it drops back to 10 per cent.

I am rather doubtful that this amendment will achieve its purpose unless the Government is anticipating a great many smaller loans. That may not be the case, but when we get into committee we should consider this amendment very seriously, because I do not feel it is going to achieve the purpose for which the Government states it is amending the act.

A further point I should like to mention concerns the limit of $25,000. When the act was introduced in 1961, $25,000 was a considerable amount, but since that time things have changed considerably. When we look at the I.D.B. figures we see that its loans average in the range of $40,000 to $50,000. This indicates that today the limit of $25,000 is too small.

There are further restrictions on loans, and I would like to mention one in particular regarding communities which are attempting to attract professional men. I am sure all honourable senators have heard and read the publicity given on radio, TV and in the newspapers respecting a small community in Ontario which is attempting to attract a doctor. There had been a doctor there for some 40 years, but he retired, and for a year and a half that village has been without a doctor. It is building a clinic, and has raised half the necessary funds. Such a village should be able to apply under this act for the $20,000 or $25,000 needed to equip that clinic. I point out that it is the village that is equipping the clinic, and not the individual doctor. In my view there should be a distinction drawn between the doctor and the village.

As an additional point I should like to mention the three-year limitation. I mentioned earlier that there were 440,000 small business firms in Canada. It is not unreasonable to expect that out of those 440,000 firms some are going to want to expand and some are going to be sold. Unless a business has been in existence for three years it cannot qualify under this act. In the next amendment I hope that the Government will give consideration to this fact.

I have no objection to a broadening of the base of the financial institutions that can make loans under this act. I would point out, however, that at no time in the past were all the funds exhausted. If the trust companies, credit unions, and other institutions that qualify under the amendment to the act are going to utilize the $50 million that is set aside for them, they are going to have to engage in an advertising campaign. I suggest that the Government should institute a campaign of publicity, very much like the one carried on by the I.D.B., and make it known that this fund is available now for trust companies and credit unions and encourage these small firms to make applications to those lenders as well as to chartered banks.

The provisions of the act have been extended for eighteen months, and it has been indicated that during this time it will be reviewed and its effectiveness compared with that of the other two acts which provide for the basic industries of farming and fishing.

We have now had nine years of experience with this act, and it is my hope that the Government will find that it has been worthwhile, and will give consideration to its shortcomings and faults. They are not extensive. The act has worked very well, and I hope that after eighteen months it will be continued in an even better form than its present one.

Hon. Chesley W. Carter: Honourable senators, I shall be very brief. Senator Phillips (Prince) said earlier that he had been inspired

by the remarks of Senator Fergusson to enter the debate on the formation of a Special Joint Committee on the Constitution of Canada. I have been inspired to enter this debate by the remarks of Senator Phillips (Prince). I well remember the circumstances when this bill was first introduced because, like my colleague Senator Benidickson, I was sitting on the opposite side in the House of Commons. I also remember my criticisms of the bill at that time, and I have the same criticisms today. My regret is that nothing has been done to make this bill more useful. Senator Phillips pointed out the importance of small businesses, particularly in rural communities. We had a brief this morning before the Special Senate Committee on Poverty which stressed that the rural setup is really the backbone of small businesses. This is where they thrive and are needed. If we are ever going to make any impact on the problem of poverty, we certainly must do more than this bill has been doing to foster the growth of small businesses.

When this bill was introduced in 1960 my criticisms were that it did not meet the three greatest needs of small businesses. I had another criticism, which is not relevant now. My main criticism at that time was that it was not a bill to help businessmen at all, but a make-work program. This applies to a large degree today, because if you want to obtain a loan under this act you can only get it for the purpose of building an extension to a business, or to move the business from one place to another. Therefore, it was a make-work program at that time when we had a very high rate of unemployment, and that feature still remains in this bill. We will probably need it again, but we have not needed it during the past four or five years.

The two greatest needs of small businesses as I see them are working capital and money for inventory. As the figures that Senator Phillips (Prince) read into the record earlier have shown, the use of this bill is diminishing over the years. Less and less use is being made of it.

Hon. Mr. Benidickson: Only when the interest rate was unrealistic; it is back to normal now.

Hon. Mr. Phillips (Prince): Normal?

[Hon. Mr. Carter.]

Hon. Mr. Carter: The third criticism I have of this bill, which I also had at the beginning, is that a person needing a loan under this bill must go to the chartered banks, the ordinary commercial banks. The figure of the losses, if I understood Senator Benidickson correctly, was very minimal, .4 per cent. That figure indicates that the guarantee in this bill is not worth very much, because I do not think that banks, without this guarantee, would have any smaller losses. They have a gleam in their eye now which is not softened one bit by any guarantee in this bill. I know the Government makes the argument that the commercial banks are set up for a certain purpose and the Government does not want to encroach on their territory or interfere with their operation. It has another argument, that if a person has a special need there is the Industrial Development Bank. I have had personal experience in trying to obtain loans for small enterprises. They are restrictive too, and you have to be manufacturing something or have a new process before you qualify. While they have softened up a little bit and enlarged their field to some extent, it is still not an answer to the problems of small businesses. I make a plea, which I do not suppose anything will be done about, but I think we must think about it. If we are really in earnest in endeavouring to help the small businessman, the little fellow who is the backbone of the rural community, particularly communities in the Maritime provinces, we must find some way of enlarging the scope of this bill so that when they need them they may obtain small loans for working capital and inventory.

Hon. Allister Grosart: Honourable senators, Senator Carter said he was inspired by Senator Phillips (Prince) and I put it on the record that I was inspired by Senator Carter. He asked the question: Is the Government really earnest in an endeavour to help small business? I was rather surprised that the sponsor of the bill, who has very wide experience in this field, did not relate the Government's policy under this bill to its general policy as recently announced in respect to small businesses. He will not mind my saying, of course, that this is one of many measures of the previous Government which laid the foundation for the present affluence of our Canadian society. Small business had reason to feel, when this bill was passed, that it was the

policy of the Government of the day to encourage small business. Senator Carter has pointed out, I think quite correctly, that even then there were some shortcomings in the bill. However, these have not now been corrected as perhaps they might have been over the years in light of on-going experience with the act. However, small business did have reason to believe that the policy of the Government was sympathetic.

There are some improvements in the act brought forward in this bill, but it seems to me that small business generally will not derive very much comfort from this in view of other policies of this Government towards small business. We are faced with the anomaly that at the same time as we are discussing this bill one of our committees is discussing the White Paper on Taxation, one of the main features of which is to suggest as Government policy perhaps the most disastrous stroke that any government has ever given to the future of small business in this country. I refer, of course, to the policy suggested that small business is now to lose what has been its greatest competitive benefit from government policy, namely, the low rate of corporate income tax on a certain proportion of its gross profit. Honourable senators will be aware of the protest that has arisen across the country with respect to this proposal. I do not recollect in my time of observing the Canadian scene a protest as universal and as unanimous as that which we now have in this country against the proposed policy of the Government in relation to small business.

Senator Phillips (Prince) has indicated the magnitude of the area of our economy that is involved. He has said it is about 50 per cent of our G.N.P., and provides about 50 per cent of the jobs in this country. Yet we are expected, I suppose, to congratulate the Goverment on making some minor but useful improvements in this act at the same time as it is imposing a load on small business that, if the Government persists in its policy, will have obviously disastrous results to the economy of this country, and for the middle class of our population generally.

I would suggest to the sponsor of the bill (Hon. Mr. Benidickson) that, having accomplished as well as I am sure he will have, the purposes of the Government in putting forward this bill, he will then use the very considerable influence he has to persuade the Government to withdraw now this most obnoxious policy proposal in the White Paper. I say now, because while there is some evidence of a fairly early repentance on the part of the Minister of Finance, the indications are that he will wait out the debate and that as it comes closer to election time perhaps there will be a change of heart, mind and policy.

I would hope that the sponsor, and others of my friends opposite, will be able to persuade the Government that it is important to announce a change in this policy now, because the on-going problems, the fear of what this announced policy may do, are already having a deleterious effect on the conduct of small business in Canada. I see that my honourable friend the sponsor of the bill is listening with his usual attention, and I am sure he will carry from this chamber this very important message to his colleagues in another place.

Hon. Mr. Phillips (Rigaud): May I put a question to the honourable senator? I am wondering whether in respect of benefits given to small businesses he meant that it is in respect of gross profits rather than net profits. I think the taxation is based on net profits, and I have a feeling that he meant to say net profits. The benefit under the Income Tax Act for small businesses is based on net profits rather than gross profits.

Hon. Mr. Grosart: Technically, of course, the honourable senator is correct, and I would be the last to argue with him on a matter of interpretation of the corporate income tax act. When I used the word "gross" I used it in the concept of the small businessman who is not greatly concerned whether he is thinking in terms of gross or net profit. He has a profit at the end of the year. He may declare that profit, as corporations very often do, in terms of profit before tax. I may say that I have always regarded that as one of the most stupid statements in the whole business economy of our country. Obviously there is no such thing as profit before tax. It is either profit or it is not. To say profit before tax is to refer only to one of many taxes. It is really profit before one anticipated tax. It is not profit before tax, which is a non-existent thing. That is why I used the other phrase from the point of view of small businesses.

Hon. Mr. Phillips (Rigaud): I did not mean to embarrass the honourable senator. I put the question only for purposes of clarification.

Hon. Mr. Grosart: The honourable senator in no way embarrassed me. I was rather delighted to have the opportunity to continue my remarks.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

The Senate adjourned until Tuesday, February 10, at 8 p.m.

THE SENATE

Tuesday, February 10, 1970

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

Prayers.

FELICITATIONS

HON. SALTER A. HAYDEN AND HON. NORMAN McL. PATERSON—THIRTIETH ANNIVERSARY IN THE SENATE

Hon. Paul Martin: Honourable senators, before we proceed with our business I should like to offer to two honourable senators our warmest congratulations on the thirtieth anniversary of their appointment to the Senate, yesterday being the actual anniversary. I refer to Senator Salter A. Hayden and Senator Norman McL. Paterson.

Thirty years of public service and membership in this house represent a contribution to Canada and the Senate. Their contributions have been many and productive. Both senators have won for themselves the gratitude of Canadians generally.

I am pleased to offer in the name of those on this side—and I am sure I speak for all members of this honourable house, our sincere congratulations to Senator Hayden and Senator Paterson. We wish them continued good health, and continued service in this chamber.

Hon. Joseph A. Sullivan: Honourable senators, I wish to join with the honourable Leader of the Government (Hon. Mr. Martin) in the remarks he has just made pertaining to Senator Hayden and Senator Paterson. I wish particularly to say a few words concerning my friend of many years, Senator Hayden.

In man's life dreams always precede deeds. Perhaps this is because, as Goethe said:

> Our desires are presentiments of the faculties latent within us, and signs of what we may be capable of doing. We crave for what we already secretly possess. Passionate anticipation thus changes that which is materially possible into dreamed reality.

For centuries alchemists have sought the secret of changing ordinary metals into gold, but men have always lived who have performed this miracle of bombarding the molecules to change the form of events. I refer to the gift of turning disaster into triumph by one stroke. All great generals have it—this ability to make a retreat a mere recoil for a new attack. All great financiers have it—this gift of making capital from their mistakes. All great lawyers have it—this art of transforming disadvantage into victory.

This institution, this body, this most valuable bicameral part of our parliamentary institution, celebrates an epoch in the history of a man, one of the most distinguished members from the beginning of its time until now. It is not difficult for me to comment today on what is in my heart pertaining to my friend. This most distinguished of senators, the Chairman of the Standing Senate Committee on Banking, Trade and Commerce, the honourable Senator Salter A. Hayden, has adorned these halls for a period of 30 years. His country, his party, can never repay the debt of gratitude they owe this singularly brilliant and kind man. He has gained his pre-eminent position in public affairs as a result of his proven ability, intregrity and intellectual expertise. I know whereof I speak. I have been his friend and his doctor for many, many years. His success as a member of the legal profession has been due to two factors. One is thorough preparation. Any speaker may take note. The lawyer and the orator both seek to persuade. Preparation is by far the major factor in attaining the objective. The second is more subtle. It is the skill of translating an unfavourable situation into an asset. It has been said that an admission is the strongest argument. It is the best method of "taking the wind out of the sails" or out of the adversary, provided, of course, it is combined with the art of exploiting the concession. The aim is never to conquer an adversary or an audience but have it agree as if it would have in the first place. The listener must believe, "I came, I saw, I concurred." Honourable senators, there are very few people who have come before the Standing Senate Committee on Banking, Trade and Commerce who came, who saw and who did not concur. The extremists who came before him were provided with a one-way ticket to oblivion.

I would like to refer briefly to a book published by F. A. Kunz, *The Modern Senate of Canada: A Re-appraisal*. I am sure you have all read it. On page 243 the author states:

> The role of the Banking and Commerce Committee, 'the Queen' of the Senate Standing Committees and its effect upon the operation of the whole committee system, deserves special mention.

On page 253 he goes on further to state that:

> The success of the chairman is often a guarantee of the success of the committee as a whole. Thus the work of such a chairman as Hayden in the Banking and Commerce Committee has been, in great measure, responsible for the effectiveness with which this committee has discharged its function.

Further, on page 254, with regard to ministers of the Crown appearing as witnesses before Senate committees, the author points out:

> It sometimes falls upon the chairman, particularly in the case of a complicated piece of legislation, to brief the minister in advance of his attendance in committee on the nature of the amendments suggested and the reasoning behind them. Moreover, the decision of a minister to appear before a Senate committee may be greatly influenced by the chairman's prestige and reputation. Thus Hayden communicated with Finance Minister Fleming before the latter's second appearance in the Banking and Commerce Committee in connection with the estate tax bill in 1958. He enumerated for the minister sections that were stood and the arguments for the proposed changes.

At page 103 he says that the late Senator Robertson pointed out that he had always entrusted "the mysteries of finance to Hayden and his explanations have always been crystal clear".

Honourable senators, I could go on with quotations such as this which are only too well known to all of you.

In his case, when we look at what is called in the profession a *curriculum vitae,* we become at once aware of a most formidable record of achievement. It attests to his devotion, his skill, his intelligence and to his stamina, for since 1940 hardly a year has gone by that did not see some formidable piece of legislation handled by this man. It is a record that sets up a model for us all, but to my knowledge not many of his generation have ever matched his skill and ability. All his endeavours and his pronouncements express the strong personality and his determined zeal which he brings to all his actions. It illustrates a ranging mind, a love of learning and an entire respect for the integrity of his subject.

Senator Hayden is not the kind of man who forgets that it is men who make movements, not movements that create men. He knows too that ideas do not exist independent of men's minds. An individual such as he knows the powers that individuals can command, and he brings sympathy to the story of their trials and errors. He knows from his legal training that history is the only account men have for reference, for in it is listed what everything costs. At times he has indeed found himself beset with critics, but what Richard Cobden once said of his own political foe, Lord Palmerston, is surely true of Senator Hayden. "He is of that happy nature that cannot create a personal enemy."

I know that Senator Hayden would not wish me or anyone to conclude even an inadequate summary of his life and time without a mention of his devoted companion of so many years, his wife Jean, who has always brought and will always bring her especial gifts of warmness to reinforce and encourage his own qualities of mind and heart. There is no doubt at all that the name of Senator Hayden, a scholar of weight and principle, has brought lustre to the reputation of this Senate and his profession, this Parliament of Canada. He has added to the stature and the status of this, our very own institution during the long period that he has been here.

Therefore, to your great and my dear friend, I would like to fittingly close these remarks with my philosophy of what one means by the word "success". It epitomizes to the full this particular good and gentle man, and I quote:

> To win the respect of intelligent persons and the affection of little children. To laugh often and to love much. To earn the approbation of honest critics and enjoy the betrayal of false friends. To appreciate belief. To find the best in others. To give oneself. To leave the world a bit better; whether by a healthy child, a garden patch, a cheery letter. To have played and laughed with enthusiasm and sung with exultation. To know that even one life has breathed easier because he has lived.

Hon. Senators: Hear, hear.

Hon. Salter A. Hayden: Honourable senators, I would not be human if I were not a little bit affected. It has not felt like 30 years, but you get realism when you do a simple problem in arithmetic and subtract 1940 from

1970. It works out to 30 years, and that is a very substantial part of a life span.

Honourable senators, I have to confess that as the 30 years went along I was not aware of their passage. I feel that nature is very kind in the continuity of events in the Senate in pursuing these matters from year to year. The passage of time goes unnoticed in the endeavours you carry on, perhaps with some success but always with the hope that greater success will follow.

I do not need to tell you I have enjoyed being a senator. I have enjoyed being chairman of the Banking, Trade and Commerce Committee. I have enjoyed every bit of work I have done in the Chamber and in committee, and the friends I have made in the Senate.

May I tell you a humorous thing. Norman Paterson was appointed on the same day as I was. Notice of my appointment to the Senate came through a long distance call from Ottawa, but I was not in and the call was cancelled. Some newspaper reporters came to the house and I said to them, "Well, I have received no message. Undoubtedly it is true and I will talk to you, but you cannot publish anything." I can tell you that at ten o'clock that night my ear was against the radio. There were 12 senators appointed that night. I heard the names of one, two, three, going right down to ten, and I decided somebody had been pulling my leg. But then the eleventh one was Salter Hayden and the twelfth was Norman Paterson. So the world was safe for democracy after that.

Hon. Senators: Hear, hear.

Hon. Mr. Hayden: Norman and I did not know each other up to then, but we got together and decided we would share a room. We took a room in the inner well of the Senate section, until such time as we could have the necessary authority to get the room we wanted. Eventually we got it and we have stayed there ever since and have been excellent friends.

Honourable senators, I wish to thank Senator Paul Martin, whom I have known for a long time—

Hon. Mr. Martin: Thirty years.

Hon. Mr. Hayden: —and Senator Joseph Sullivan for the kind things they have said. I know they came from a full heart. I will not analyze them too closely; I will just accept them in the spirit in which they were said. I thank all honourable senators for being so kind to me.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, I hope that the honourable senator has not closed the debate. There are two things I should like very much to say. Perhaps Senator Choquette, more than anybody else, will have witnessed the first thing I say.

Salter Hayden is about nine years older than I am. When Senator Choquette and I were in grade school in Sandy Hill in Ottawa, Salter Hayden and the late Bonner Larose, who used to carry the Mace in this Chamber, played on the best amateur hockey team in the area. I never once saw them beaten.

Hon. Mr. Sullivan: Oh!

Hon. Mr. Connolly (Ottawa West): This is true. Particularly what I wanted to say is that I had such a hero worship for Salter Hayden and I was so concerned that the team might lose, very often I would go into their dressing room between periods and make sure he took his skates off. Then I laced them back on before he went out onto the ice.

I never realized, honourable senators, until I became leader in this house, that he would not only be tying my shoe laces but even supplying the shoes. I am sure the present leader feels as I do, and as I am sure our predecessors felt for the thirty years that Senator Hayden has been here—the work which he has done for this chamber, particularly in the Banking, Trade and Commerce Committee, is rivalled by no parliamentarian who has sat in these halls since Confederation.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I at this stage say something about our very dear friend, Senator Paterson. When I came here not so very long ago—it will soon be 17 years—I used to hear my greatest friend, Senator Norman Lambert, speak about Senator Norman Paterson and about the great contribution that he has made to the commercial life of Canada, particularly in the shipping field. Lately we have not often been favoured by speeches from Senator Paterson, but those of us who have been here for a number of years well remember his interjections and particularly remember the speeches he made about the lamprey and the control of fish in the Great Lakes. The Great Lakes was his stamping ground, the place where his fleet of

lakers operated, lakers that were so essential to the development of the great grain-carrying industry in this country. It may well be that these lakers led to the establishment of that great national capital asset that we have, the Seaway.

We owe much to the presence in this chamber of men of the quality and character of Senator Salter Hayden and Senator Norman Paterson.

Hon. Senators: Hear, hear.

EXPROPRIATION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-136, respecting the expropriation of land.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Revised Capital Budget of the Northern Transportation Company Limited for the year ended December 31, 1969, pursuant to section 80(2) of the Financial Administration Act, chapter 116 R.S.C., 1952 (English and French texts), together with copy of Order in Council P.C. 1969-2400, dated December 19, 1969, approving same (English text).

Capital Budget of the Northern Transportation Company Limited for the year ending December 31, 1970, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), together with copy of Order in Council P.C. 1970-138, dated January 22, 1970, approving same (English text).

Copies of Ordinances, Chapters 1 to 7 inclusive, passed by the Council of the Yukon Territory at its 1969 Third Session, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with copy of Order in Council P.C. 1970-78, dated January 14, 1970, approving same. (English text).

Report respecting Operations of the Medical Care Act for the fiscal year ended March 31, 1969, pursuant to section 9 of the said Act, chapter 64, Statutes of Canada, 1966-67.

Reports of the Minister of Industry, Trade and Commerce under the Corporations and Labour Unions Returns Act (Part I, Corporations) for the fiscal periods ending in 1965, 1966 and 1967, pursuant to section 16 of the said Act, chapter 26, Statutes of Canada, 1962.

Report of the Minister of Industry, Trade and Commerce under the Corporations and Labour Unions Returns Act (Part II, Labour Unions) for the fiscal periods ending in 1967, pursuant to section 16 of the said Act, chapter 26, Statutes of Canada, 1962.

ADJOURNMENT

Hon. Donald Smith: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Thursday next, February 12, at 2 o'clock in the afternoon.

Motion agreed to.

NORTH ATLANTIC ASSEMBLY

LETTER COMMENDING SUPPORT OF NATO

Hon. Daniel A. Lang: Honourable senators, with leave and before the Orders of the Day are called, I wish to bring to your attention a letter I received earlier today which gave me great satisfaction, and I would like to share that satisfaction with many of you present this evening. It comes from a Mr. Ed. Riisna of St. Clair Avenue in Toronto, and reads:

Dear sir:

It was with great appreciation that I read in *Hansard* of December and January the speeches by you and Senators C. W. Carter and O. H. Phillips on the question of NATO in reply to Senator Lamontagne's speech.

As a refugee from behind the Iron Curtain, and a member of the last Parliament of Free Estonia, who barely escaped communist slave labour camp and is now a Canadian citizen, enjoying freedom in this great country of ours, it makes me proud to know that in our Canadian Parliament there are members who realize the danger of communism and do not have the futile hope of seeing a change in communism's nature and goals, as Senator Lamontagne mistakenly expressed in his otherwise well-prepared speech.

I have also with great interest followed your previous statements on this subject and have drawn the attention of the Estonian press to your speeches. We Estonian refugees all have the same viewpoint about communism.

The Hon. the Speaker: Before I call the Orders of the Day, may I remind honourable senators of Rule 20, which reads as follows:

When the Speaker calls the question period, a senator may ask any question of the Government Leader in the Senate relating to matters of urgency or importance to the nation or the Senate. No notice of such questions is required. Supplementary questions may be asked.

RHODESIA

CANADIAN GOVERNMENT POLICY RE SANCTIONS—QUESTION

Hon. M. Grattan O'Leary: Honourable senators, I would like to direct a question to the Leader of the Government.

In view of the fact, as reported in the press, apparently with some authority, that this week Rhodesia will declare herself a republic, will this give rise to any change in the Canadian Government's policy of sanctions, or will the Canadian Government, as in the past, take its direction in this matter from the Prime Minister of the United Kingdom?

Hon. Paul Martin: Honourable senators, the policy that Canada adopted with regard to Rhodesia was adopted on its own assessment, and not as a result of any direction or dictation on the part of the head of the government of any other country.

Hon. Mr. O'Leary: Was it adopted because of the resolution passed by the Security Council of the United Nations, which was apparently in disregard of its Charter?

Hon. Mr. Martin: The first action taken by the Canadian Government against the discrimination practised by the government of Prime Minister Smith in Southern Rhodesia was prior to any mandatory action taken by the Security Council.

There was a unanimous declaration of all the Commonwealth Prime Ministers, including Canada's, and it was shortly after that Prime Ministers' meeting that the Canadian Government took steps to restrain trade with Rhodesia.

When the Security Council decided on both voluntary and, later, mandatory sanctions, that course and that direction were followed by the Canadian Government.

PAROLE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, February 5, the adjourned debate on the motion of Hon. Mr. Prowse for the second reading of Bill S-19, to amend the Parole Act.

Hon. John M. Macdonald: Honourable senators, according to the explanatory notes, the purpose of these amendments is very simple, very clear and very easy to understand. For example, the note about section 1 says

The purpose of this amendment is to make it clear that section 11A does not affect the time at which a sentence of imprisonment commences and that the deemed single sentence of imprisonment provided for by the section expires on the normal expiration date of the last to expire of the terms of imprisonment to which the person has been sentenced.

Hon. Mr. Choquette: That is very clear.

Hon. Mr. Macdonald: Yes, very clear. I understand this means that if a person has been sentenced to, say, a term of two years and then a year later is sentenced to a further term of two years, then the second term begins when it is imposed and does not go back to the commencement of the first term.

Section 2 is supposed to make it very clear and understandable that an inmate who forfeits his parole must include in his imprisonment the time he was at large after the new conviction, and exclude from it any time spent in custody after the revocation of his parole, but prior to his new conviction.

Honourable senators, once the principle of the bill is made clear, there can be no objection to it. However, I do say that it is somewhat difficult to learn from the wording of the amendments just what is involved. One must read them more than once before the meaning becomes clear.

I was impressed when the sponsor of the bill, a learned and articulate senator, admitted difficulty in explaining it. He said:

So I shall ask you to take my word for it that this is what is intended, namely, to simplify matters and to ensure that a man is not deemed to have been serving time in prison when he was in fact at large, and at the same time to ensure that

he does get credit for any time he was in jail during the period when efforts were being made to catch him.

Well, I am quite prepared to take his word for it. However, I do believe that legislation can and should be so worded that its meaning is clear and understandable.

This bill is amending legislation already passed, and I have no doubt those drafting it had no alternative but to follow the original wording as closely as possible. Yet I do think the sections themselves, along with these proposed amendments, are horrible examples of the art or science of making simple things complicated.

I examined the original section 11A and found it was one sentence, but that one sentence consisted of 150 words of two or more letters. The proposed section 11A has two subsections, but subsection 1 consists of one sentence of 122 words. The original subsection 1 of section 17 is also one sentence in length, although it is divided into three paragraphs, and consists of 100 words. The amendment to make it clear is five paragraphs long and consists of one sentence of 166 words.

Honourable senators, I do believe legislation can be constructed better than this. Indeed, I think legislation should be so worded and so constructed that its meaning is clear to all who read it. I do not think any changes can now be made in this bill, because if this were attempted the whole act might have to be gone over and reworded. Indeed, I do not believe any useful purpose would be served by referring this bill to a committee. While the wording is open to criticism, the intent will be understood by those administering the act and, indeed, I suppose it will be understood by others who may be affected by it even if they do not read it.

While examining this bill I did notice one thing which struck me as being unusual and, indeed, unfair and inequitable. Paragraph (a) of the new section 17(1) provides that when a parole is forfeited the paroled inmate shall serve the portion of the term to which he was sentenced and which remained at the time of the parole, including earned remission standing to his credit.

I understand that this "earned time remission," which is calculated at the rate of three days a month, is earned by the inmate by good behaviour. If this is so, and if he has earned it, then he owns it, and by taking it away from him if he breaks his parole there is then an additional built-in penalty and punishment which could be very severe. I can understand that if parole is forfeited then that part of the term unserved will have to be served, and perhaps there is some justification, although I am doubtful, for the inmate's loss of the statutory remission. But I do not see any equity or fairness in removing the earned time remission, and I would like to see an amendment that would remove that penalty.

Honourable senators, as I mentioned, I do not believe any useful purpose will now be served by sending this bill to a committee, notwithstanding the various criticisms I have made.

Motion agreed to and bill read second time.

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

Hon. Mr. Martin: Honourable senators, I have noted what Senator Macdonald had to say about the language of this bill. There is certainly no objection to referring this bill to a committee, if there is any doubt about the language. There is no doubt in my mind about what the bill provides, but we in this place should not hesitate to revise bills if we think there is occasion.

I wonder if Senator Macdonald wishes, after the consideration he has given this matter, to urge that the bill be sent to a committee. If not, we can pass it. If there is any doubt at all about it then I will be happy to propose that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Macdonald: Honourable senators, I do not feel that at the present time there would be any real advantage in referring this bill to a committee.

Hon. Mr. Martin: Is the honourable senator saying that because of the provisions of the main act?

Hon. Mr. Macdonald: Yes, because of the provisions of the main act. I think that the Senate should be not a body that reviews only legislation that comes before it, but it should also be a body that reviews legislation that is already on the statute books.

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

Hon. Mr. Martin: Honourable senators, I move that this bill be read the third time at the next sitting.

Motion agreed to.

TEXTILE LABELLING BILL

SECOND READING

The Senate resumed from Thursday, February 5, the adjourned debate on the motion of Hon. Mr. Phillips (Rigaud) for the second reading of Bill S-20, respecting the labelling, sale, importation and advertising of consumer textile articles.

Hon. Fred M. Blois: Honourable senators, I wish to make a few remarks concerning Bill S-20 because I believe it affects more people than any other bill that has come before us. This bill will actually affect over 20 million persons and, therefore, I think it should be given very careful consideration.

I apologize to Senator Phillips (Rigaud) for having to be absent from the chamber when he explained the bill. However, I have read his comments a couple of times. I do not find any fault with them, but I feel he did not cover a number of subjects that I would like to bring to the attention of this house this evening.

The object of this bill is to protect the consumer, but in my opinion it is not going to protect the consumer to any extent. In fact, I am afraid that it is going to confuse the consumer much more than he is confused at the present time.

The main item covered by the provisions of this bill are textile fibres, and what they contain. I have some doubt in my mind as to just what is meant when the bill talks about a percentage by weight. A tailor called me today asking about this very point.

Let me take as an example this suit that I am wearing. What is the total fibre weight of the article? Does this refer to all the cloth that is in this suit, or does it refer to just the lining which may be made of cotton, rayon, nylon, or a mixture of all these yarns? The pockets of many suits are made of either cotton, linen, or nylon. If the percentage is of the total weight of the suit, then does the total weight include the buttons? I know that there is a small pin stripe in the suit I am wearing, and I know that it is not made of wool. I am not sure, without having the suit torn apart and analyzed, just what its various components are, and I cannot see how it is important to the ultimate consumer to know exactly the percentage content of the various fibres.

While I am on the subject of suits, I will mention the manufacturer of the cloth. As we all know, cloth is sold in various sizes of bolts or rolls. A bolt may contain anywhere from 50 to 100 yards of cloth, and there may be a mark or a ticket or something on that bolt of cloth to identify it. When I order a suit, a length of cloth is cut off the bolt. Does this bill require that there be a mark on every suit length? It is going to be difficult to mark every suit length, because more cloth is required to make a suit for a large man than a small man, and many people like to have two pairs of trousers with a suit. I am not sure how it will be possible to mark the suit lengths, and again I am not sure how important it is. But, as I read the act, this must be shown in some way.

There are other items such as footwear. There are many lines of footwear, the tops or some part of which are made of textile fibre, and not necessarily on a percentage basis. Again, does the bill refer to a percentage of the textile fibre, or of the total weight? This is worrying a great many people. During the last few days I have had three manufacturing firms telephone me, and one called today saying that they have read the act but they do not understand what it means.

Furthermore, many people are worried as to the fines that may be assessed, and against whom they will be assessed. Who will pay the fine? Will it be the tailor who actually sells the garment, or will it be the manufacturer who makes the fibre? In the case of an imported product, will it be the importer who brings the fabric into the country? Just how this legislation is going to work is not clear to me, and I am sure it is not clear to many manufacturers.

Let us consider for a moment a low grade material that may be imported into the country from a manufacturer in some other part of the world. I doubt if there is any law or any possibility of the Canadian Government or anyone else forcing them to pay the fine. That might mean that the importer would have to do it, or that he would be responsible.

Then again I do not know how much difference it makes if a garment has 5, 6 or 7 per cent of some man-made fibre. I think, speaking from memory, that there are 15 to 20 or more man-made fibres which are blended with other textile fibres in making textiles. Some of them may be put there to give a "feel", as we say in the textile trade, to that particular garment. It may or may not enhance the wear; very often it does. Yet I question whether the ultimate consumer—I refer particularly to the ladies, who do most

of the purchasing—would know just what it means if these garments are labelled.

This brings up another very important subject. Does this label have to be sewn on the garment? Can it be attached to the garment, or can it be marked on a polyethylene bag, or some other container in which the garment is packed? One manufacturer who makes a lot of yarn for knitting, some of which is very expensive and some that we call utility yarn at a reasonably low price, puts it in bundles of approximately six pounds. There are four skeins to the pound and in others five skeins to the pound. Can he put that marking on the outside of the package, or must he go to the expense of putting a label on every single skein of yarn? It may be of value to the consumer, but it is certainly going to cost the consumer a lot more money. I do not think that is the intention of the bill, but most manufacturers I have talked to feel that it is.

Again, with respect to the question of labels or trades, one manufacturer who has a large business pointed out to me that in ordering their bags or labels that they sew or attach to the garment, to get a price they order perhaps a year's supply at one time. Now, if this act should come into force within the next year or four months he would lose many hundreds of dollars which he must of course, recover from the ultimate consumer.

We have another serious problem, which goes back to the inspection. There are tens of thousands of dealers throughout Canada, large and small, who sell something or other that contains textiles. How in the world are these inspectors going to check into retail stores? It would take thousands of inspectors a long while and involve much expense to train them. I do not think it is clear in the bill, it is not to me and it certainly is not to the three manufacturers I talked to, just how this inspection is going to work. That is why I am bringing this matter to your attention, honourable senators, so that you can give it considerable thought and decide just what is the best way of handling it.

With respect to marking, one man pointed out to me that his small company makes one and a half million pairs of footlets, which ladies wear inside their shoes. There are quite a number of fibres contained in those. If he has to label them it is going to cost him a lot of money. If he has to print them it is going to make it a very ungainly looking article. The labels have to be sewn on. He showed me his figures indicating that it will cost probably two or three cents more a footlet. When the retailer gets these he has to add his profit to that, so the ultimate consumer would be paying 5, 10 or 15 cents a pair more. These are things which I think should be considered very carefully before this bill is passed.

Another man referred to a little sock which he makes. If he had to put a label on some of those, it would be almost as large as the sock itself. On the other hand, if he prints it on it would look so bad that people would not want to buy them. I know we are trying to protect the consumer, but did the people who drew up this bill consult the textile industry? Did they realize what it means? I think we all want to do what we can to save the consumer. Few of us would know what it means. There may be a cotton core in other textile yarns coupled with wool or some other fabric. This strengthens the material, yet the ultimate consumer might think that if the material is not all wool it is not good. However, this combination will outwear wool.

I myself have had experience with putting in 5 or 7 per cent of some man-made fibre blended with something else, which enhances the textile strength by anywhere from 10 to 25 per cent. It improves the wearing quality and makes the product feel better. How are we going to find the average consumer, who feels that an all-wool garment is all it means? It is better, but what they do not know is that you can make it all wool or pure wool but only a quarter of an inch in length. A pure wool garment will probably be two or three inches in length.

I have mentioned a few of these things because I do not think that this bill will do what we expect it to do. I think we should go into this matter very carefully. I would ask honourable senators to give very careful thought before this bill becomes law.

Hon. Josie D. Quart: Honourable senators, I agree with the remarks of Senator Blois, who certainly knows much more about the textile industry than I do, but I have no hesitation whatsoever in supporting Bill S-20, for I believe it is assuredly a forward step to protect the Canadian consumer. However, it would seem logical that section 6, which deals with labelling of each product, et cetera, should include some specific details as to the cleaning method to be used for these new fabrics.

Before the advent of synthetic fibres, the buyer could choose from fabrics made of wool, cotton, linen or silk. But with over 2,000

trade names on the market, how can the average man or woman know which fabric can be cleaned, and by what method? We consumers as a rule are fairly reasonable and do not complain too much, but it is only logical that the buying public should know what to expect and whether a fabric is delicate and must be hand-washed or should be dry cleaned. So frequently we just guess at how to care for our purchases and very often suffer the consequences with textiles labelled "washable". Many manufacturers give the detailed cleaning instructions on nicely printed hang-tags which, if they ever reach the consumer are promptly detached from the garment, and are destroyed or misplaced. Therefore, it would seem to be a logical next step that instructions be permanently attached to the garment by means of a sewn-in label.

Again it is important to consumers that the proposed mandatory labelling legislation apply to the whole article, not just the major component. If a garment is composed of two or more fabrics, each one must meet the required standard for the cleaning method recommended. Hopefully this care-labelling will eliminate the horrors of the shrinking interlining, colour in the trimming, rusting buttons or a disintegrating belt. A garment labelled as dry-cleanable might also be washable, but unless the label indicates that it is, you will wash it strictly at your own risk, be it drip-dry or wash-and-wear. Many consumers have been misled either by sales persons or labels on textiles on garments to the point where purchases become a total loss.

I repeat that mandatory labelling protects the customer, and the customer is always right according to the retailers' credo. But we all realize that the retailers' benevolent philosophy is to keep the customer happy when on a spending spree.

I take this opportunity to congratulate the Canadian Association of Consumers. This association is performing a wonderful service to the public, and unquestionably their resolutions, which cover a wide range of consumer goods, have been of great assistance to the Government when drafting bills.

I was very happy to hear the sponsor of the bill (Hon. Mr. Phillips, Rigaud) say that Bill S-20 will be welcomed particularly by the women of this country, who largely bear the responsibility for purchasing the family requirements in clothing and other household textile articles. Yes, indeed, it is a recognized fact that women are the nation's purchasing power. The majority of the advertising slogans, eye-catching posters, TV commercials and newspaper advertisements are designed to attract the attention of women, and wise men admit that purchasing is an art in which women excel. They invade even the exclusive shops for men only, and haberdashers and tailors will tell you that a great number of men bring their wives along to protect them from the super-salesmen.

And what about the old joke about ties? For example, when the man of a certain vintage in a gay or frivolous moment buys a psychedelic tie, if chided by his friends that the cravat is so loud it shrieks to high heaven, with a shrug of his manly shoulders and with diplomatic resourcefulness he poses as a victim wearing the tie in order to please the little woman, when in reality she is not guilty of buying it and blinks every time he wears it. But women do not pay any attention to these stale "tie jokes". After all, we have compensation as the nation's spenders.

I cannot but wonder if the textile industry suffered from the dictates of fashion designers since the mini-skirts hit the market. Certainly the garment industry must have reaped a rich harvest, for it seemed that the higher the skirts went the higher the cost to the customer. It is probable that the textile manufacturers used great pressure on the world of fashion couturiers which gave birth to the maxi-coats for men and women.

I should like to place on record one of the resolutions the Canadian Association of Consumers sent to the Department of Consumer and Corporate Affairs, contained in their 1969-70 report dealing with textiles and labelling:

> Whereas sound information is seldom available at the time of purchase, therefore—
>
> Be it resolved that CAC request the Department of Consumer and Corporate Affairs to establish regulations requiring that textile products be labelled with the generic name of the fibre or fibres, trade name, and basic care information and that the label be permanently affixed in a readily accessible place, to the product or its container.

I shall be very happy to support this bill.

Hon. Lazarus Phillips: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable

Senator Phillips (Rigaud) speaks now his speech will have the effect of closing the debate.

Hon. Mr. Phillips (Rigaud): Honourable senators, as I indicated when I moved the second reading of this bill, it is my intention, if and when this bill receives your approval by way of second reading, to move that it be sent to the Standing Senate Committee on Banking, Trade and Commerce for more detailed consideration. For that reason I will reply to only two or three of the points raised by Senator Blois in this house. I should first wish to thank Senator Quart for her warm support of this bill.

Dealing specifically with some of the points raised by Senator Blois, may I point out the following with respect to some of his observations. First, when we are dealing with a textile garment that has buttons and other incidental items, on the subject matter of weight do we take into consideration the weight of the buttons or items other than the textile itself? With respect, I would refer the honourable senator to section 6(b)(i), which says:

> The generic name of each textile fibre comprising five per cent or more by weight of the total fibre weight of the article.

The result from that reference would be that the weight of the buttons would not be included.

The second question to which I reply concerns the label, and whether a label on an outside package, for instance, would be sufficient as distinguished from labelling the garment. I draw attention to section 3, which specifically states that the label must be applied to the textile itself. Subsection 1 of section 3 says:

> No dealer shall sell, import into Canada or advertise a prescribed consumer textile article unless the article has applied to it a label.

That refers to the textile article itself. I will not press the point before this house, because we will no doubt deal with this matter in more detail before the committee, but I am answering the honourable senator's questions.

Hon. Mr. Grosart: Would the honourable senator permit a question at this point?

Hon. Mr. Phillips (Rigaud): Of course.

[The Hon. the Speaker.]

Hon. Mr. Grosart: The honourable senator said in answer to Senator Blois that "applied" appears to mean "attached". Would he explain that statement, in view of the interpretation section 2(c), where "attach" may mean "accompany"—referring to the article —"in any other way"? Would the honourable senator explain his statement, when the interpretation section seems to make it very clear that if the label accompanies the article the provisions of the bill are satisfied?

Hon. Mr. Phillips (Rigaud): I think so, Senator Grosart. Speaking as a more or less textile lawyer for approximately 50 years, the interpretation section, which of course is a substantive part of the act, must be read with a basic section that creates the offence in due course under section 3. The interpretation section would have to give way to the basic section 3 in the meaning of the word "apply". It would have to be applied to the article, notwithstanding the reference that would be made to the interpretation section. That would be my view as a lawyer. However, I may be wrong.

Hon. Mr. Blois: May I ask the honourable senator another question? I mentioned earlier that many garments and textile articles are put up in polyethylene or other types of bags. According to your ruling, these cannot be used any more. It is going to cost the trade thousands and thousands of dollars and the consumer many, many dollars if these bags cannot be used.

Hon. Mr. Phillips (Rigaud): I am not in a position to answer your question, Senator Blois, with respect to the economic consequences of the statute. I can only do my best to explain the contents of the statute and what is proposed to be passed into law. Possibly the departmental officials will be able to answer your question when it is put before them in due course. I am not in a position to answer the economic aspects in terms of costs if the law passed is applied.

Hon. Mr. Blois: I have a supplementary question. You do feel, as the law now stands, that these manufacturers could not use these bags? That is your interpretation of the act?

Hon. Mr. Phillips (Rigaud): No. It would be difficult to interpret the act in that respect, because provision is made with respect to prescribed textile items and the voluntary items, subject to regulations in both instances.

Therefore, the body of the statute would have to be read in the light of the regulations. The regulations plus the statute would then give one the opportunity of expressing an opinion, but as to the regulations which are provided for in the statute and contemplated by the statute it would be impossible to draw any inference.

Hon. Mr. Blois: As I understand the regulations, when this bill is passed a manufacturer today would not know what the regulations are going to be and he might as well fold up and go out of business.

Hon. Mr. Phillips (Rigaud): I would say that the act which comes into force as indicated by section 18 is provided in the usual manner. When the act is brought into force on a day fixed by proclamation, I would assume that the regulations would have been drafted and published so that immediately upon the statute coming into effect the regulations would then be available for all to read. Therefore, the regulations, with the statute, would clarify the situation.

Hon. Mr. Blois: I was under the impression, as I read the act, that regulations might be made at any time. The minister could exempt or add or change, and I think that is the danger.

Hon. Mr. Phillips (Rigaud): Power is usually given for the passing of regulations giving effect to the statute or modifications or revision of the regulations as long as legally the regulations are within the framework of the statute and for the purpose of giving effect to the statute. No regulations would have any legal validity if it were extraneous in substance to the subject matter of the legislation as passed.

Hon. Mr. Grosart: Is the honourable senator saying that we cannot understand this bill until we see the regulations, which are not before us?

Hon. Mr. Phillips (Rigaud): No, I did not say that. I simply said it is provided within the statute itself that regulations will be passed, for instance, with respect to the mandatory aspect of certain families of man-made fibres which will be prescribed as I indicated when I first introduced the bill. There will be approximately 16 families of man-made fibres and these will be covered by regulations. Therefore, until you have the regulations pursuant to section 6 of the act, we do not know to what fibres or what families of fibres the mandatory regulations will apply. There will also be regulations applicable in those cases where there has been voluntary submission, as previously explained. They are based upon the decision of the merchant himself, whether he be a manufacturer, importer, dealer or retailer. When he voluntarily submits his article to labelling he will be bound by specified regulations pursuant to the terms of this act, and under the authority that will be given to the minister under this act.

Hon. Mr. Grosart: Perhaps the senator will inform the house, in view of the fact that he has raised the question of regulations, if in his opinion as a textile lawyer for many years the interpretation section of the act would apply to the body of the act and/or to the regulations.

Hon. Mr. Phillips (Rigaud): The interpretation section would apply basically to the body of the act. The regulations are supplementary and complementary to the statute proper.

May I be allowed, Senator Grosart, to answer Senator Blois on two or three other points? The third question I wanted to answer was with respect to the number of textile articles that will be covered by the regulations on account of the tremendous number which Senator Blois apparently referred to. I am sorry that I did not make myself clear on that when I explained the bill on second reading and indicated that the statute will apply to two classes of products. The first is the normal, natural product, such as cotton, wool, silk and linen. Then there will be the so-called 16 families of man-made fibres. Unless the man-made articles fall within the 16 families referred to, or what is proposed to be covered by the regulations, such other man-made fabrics will not be subject to the application of the provisions of this bill. In other words, it does not apply to all textile articles ranging over the entire field, such as you indicated. I do not know what the regulations would say with respect to such things as footwear.

Hon. Mr. Blois: Who will decide which of these man-made fibres are going to be exempt? I have been in the business all my life and I cannot understand who is going to decide which man-made fibres will be recorded and which will not.

Hon. Mr. Phillips (Rigaud): The statute specifically says that it will be covered by regulations. If this bill is passed into law it

will give authority to the minister by order in council to specify the generic family of man-made fibres. Once they are so specified in a group of 16 families the regulations will apply to these prescribed items. The word "prescribed" has a specific connotation in the interpretation section of the act. It is specifically stated that there are prescribed articles which will be covered by ministerial decision in respect to which there will be mandatory regulations. There will then be regulations in respect of voluntary submission on the part of merchants who desire to label their products. That is all that I can say to you on that point, Senator Blois.

Lastly, and not to burden the house unduly on the question of who is responsible with respect to, shall we say, the fraudulent submission of an article to the public, as I indicated, the sections of the bill dealing with sanctions and covering the indictable offences and the fines, et cetera, follow the general rule of law in that criminal offences are being created, and it is pursuant to the authority given to the federal Parliament to deal with criminal law that these offences are created.

In the ordinary rule of criminal law you always have the necessity of an *animus furandi,* the intent to commit a crime, and if you do not have present the intent to commit a crime and such intent is not established against the accused, presumably the judicial process will not lead to conviction of the accused.

The mere fact that a merchant, whether he be importer or retailer, will sell an article which is tainted, in the sense of not being properly labelled, obviously does not mean that the person who unintentionally disposes of the article would be guilty of a criminal offence. I had hoped that I had made this very clear in my speech when I indicated that the burden of proof was upon the Crown in order to establish the guilt of the accused, if, as and when such accused is brought before the criminal courts.

Honourable senators, I think that basically those are the major points the honourable Senator Blois raised. Would he be good enough to tell me if there are any others in respect of which he would like an answer and which I might have overlooked.

Hon. Mr. Blois: Thank you.

Motion agreed to and bill read second time.

[Hon. Mr. Phillips (Rigaud).]

REFERRED TO COMMITTEE

On motion of Hon. Mr. Phillips (Rigaud), bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

RAILWAY ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, February 3, the adjourned debate on the motion of Hon. Mr. Burchill for second reading of Bill C-11, to amend the Railway Act.

Hon. Mr. Haig: Honourable senators, I wish to yield to honourable Senator Fournier (Madawaska-Restigouche).

The Hon. the Speaker: Is it so agreed?

Hon. Senators: Agreed.

Hon. Edgar Fournier: Honourable senators, I wish to say a few words on Bill C-11, an act to amend the Railway Act. The bill was well explained by Senator Burchill, who has had long experience in the telephone and telecommunications service. No one could be better qualified than he to give an explanation. I hope the explanation he gave—naturally it was the explanation he received from Canadian National officials—is a little better than the explanation we received from the Canadian National when they decided to remove the passenger services from the transcontinental line.

As you know, after two months of waiting I finally got an answer to my notice of inquiry, which is the key answer to some of the problems which we are facing.

First, I would like to put on the record of this house a few lines taken from the report of the proceedings of the Standing Senate Committee on Transport and Communications, dated December 18, 1969. It has to do with my notice of inquiry. At this point Mr. Vaughan and I had some difficulties, and I was trying to get an answer to my notice. I would like to put this on the record because it opens up a lot of avenues, and I think it throws light on the matter. Mr. Vaughan is speaking, and I quote:

> Now, on the abandonments, the Canadian Transport Commission is the authority. On the changes under the Railway Act, under section 315 of the Railway Act, there is an obligation on the carriers to provide suitable and adequate service. If, in the judgment of others, the commis-

sion and the authorities, the public interest is not being met, then they have the jurisdiction to deal with that. But Canadian National feels that it has an obligation to deal with this situation, because we should not perpetuate a money-losing service when it is not our function to disperse or allocate public resources in that fashion. That train you refer to in your territory was put on as a test train, as a test operation. When the company says that the patronage of that train was insufficient to make that train a paying proposition, the company is telling the truth. The company has no warrant or desire to go and take trains off just for the fun of it.

SENATOR FOURNIER (Madawaska-Restigouche): Then give us the figures and there will be no more argument about it.

MR. VAUGHAN: If you want to know I can tell you right now that the changes we are going to make in that service will save nearly $4 million. What are the figures that you asked for?

SENATOR FOURNIER (Madawaska-Restigouche): They are in my notice of inquiry of December 4.

MR. VAUGHAN: May I see the inquiry? I do not know what hinges on it. We are the most regulated organization on the face of this earth. We have more commissions, investigators, regulations and statutes covering us than anybody. We try to deal as a commercial organization. People ask questions about various figures and then attempt to draw a judgment from them without knowing the whole story. From time to time we decline to give certain information in Parliament, because it is not in the best interests of the company to have this information made available to our competitors, and this position has been supported by Parliament. I will be glad to talk to you, senator, about any phase of this and see if we can come to a meeting of minds and satisfy you.

SENATOR FOURNIER (Madawaska-Restigouche): Just give me the answers to the questions, that is all I want. I need them this afternoon. Call Montreal or your office. You have an $18 million telecommunications system. Surely you can get the answers by this afternoon. I am going to report to the Senate and ask again where the figures are.

MR. VAUGHAN: I have other questions outstanding from the House of Commons.

SENATOR FOURNIER (Madawaska-Restigouche): Yes, the same old ball goes back and forth. I am satisfied, thank you.

The report stating that I am satisfied must be a misprint; it should say that I am not satisfied.

Honourable senators, as I said, it opens a lot of avenues. You have received *Hansard* of February 3, stating that the notice of inquiry has been answered. I think everyone understands why they were so slow in answering the questions. When we told them, based on experience of travelling back and forth on all those trains—not just the *Scotians*, the *Oceans* or the *Chaleurs*—that the *Ocean* was a paying train, they said, "No. We have to remove it." We tried to get the figures through the Notice of Inquiry. We got them but there are a few mistakes in there which I want to correct at this stage. The information given to us is as follows:

	Gross Revenues	Number of Passengers
Chaleur	$3,372,380	149,996
Scotian	$2,814,185	114,452
Ocean	$4,804,257	171,895

These figures show that the *Ocean* earned almost double the revenues of the *Scotian* and exceeded the revenues of the *Chaleur* by almost $1 million. Now, the figures I want to correct in the answer to my inquiry are as follows, and I quote:

> With reference to the statistics shown below, it is pointed out that the principal carryings of the three trains are for destinations along the South Shore of the St. Lawrence, Northeastern New Brunswick, Moncton and east.

This is true for two trains, the *Chaleur* and the *Scotian*. They do not include in their answer to the inquiry so far as the *Ocean* is concerned, the distance along the South Shore of the St. Lawrence River and northwestern part of New Brunswick—which is an entirely different area—Moncton and east.

Then there is something which I do not think I can call a mistake, but it is certainly very interesting. It says that the average cost is $12 per mile per train on the running operation. This information is found

in the answer to question 3. I will read it to you:

> In accordance with the recently issued costing order of the Canadian Transport Commission the average cost per mile per train is approximately $12.

It is very difficult to assess the $12 per mile, and it was interesting to find out what were direct charges and what parts went to overhead. If the cost is $12 per mile and the route of the Transcontinental to Edmundston is shorter by 41 miles, then there is a saving of $12 per mile, which is a total of $480, if my figures are correct. At two trains per day, that comes to $960, almost $1,000 a day. This is the saving achieved by using the shorter route. However, this fact is not mentioned.

Another thing which I shall not say is misleading but is very hard to understand, relates to question 4. The answer given reads as follows:

> The following figures are based on ticket lifts made for a sample low-traffic week (November 3-9, 1968) and a high-peak traffic week (July 6-12, 1969).

Now, honourable senators, these are the times given here. Then you have your coloured tickets, the white, the red and the blue. But then you find out that none of these weeks mentioned here coincides with the ticket values as outlined in the schedule. Actually the high peak traffic is from December 19 to January 11. It is mentioned here that July 6 to 12 is a high peak traffic period, but as a Canadian I would say that the peak week is around July 1—probably June 28 to July 8. However, these are not very serious matters.

I am inclined to believe through some of my conversations with top executives on occasion that they are very poorly informed on the details of such matters. I found that information is sometimes supplied by young economists or so-called experts who have very little knowledge of business except the manipulation of pencils. I might add that information given to the public and to several regional organizations by some C.N.R. officials, on the removal of adequate passenger services from the central region of the Province of New Brunswick is nothing short of a sad bloody mess. This information has been an eye opener so far as the efficiency of the administration of the C.N.R. is concerned.

Misleading and doubtful misrepresentation has left the population of the area in question in a state of turmoil and in an angry mood. While none of us pretend to know anything about the operation of railways, nevertheless we cannot accept the label of stupidity given to us by some railway officials. We were told by some of the officials that the *Ocean Limited* was not paying, and I have just used the answer to my inquiry to show that the situation is in fact otherwise.

Honourable senators, yet another mistake has been made in this whole scheme. Before we had the *Ocean Limited,* we had a train called the *Cabot* which was put on before our Centennial year. The *Ocean Limited* for northshore people is a name with tradition. It has been in their minds for at least fifty years. When you mention the *Ocean Limited* to northshore people, either to speak for it or against it, it is rather like talking about the sacred cow in India—you cannot touch it. It was a mistake to change the *Cabot* to the *Ocean Limited.* The name *Ocean Limited* should have been left to the northshore, and we would not have the turmoil we have today. I think this was a long planned political manoeuvre in which some C.N.R. officials of Moncton and Campbellton played a very important role together with the Minister of Veterans Affairs who, after the new electoral boundaries were established, is no longer the representative of Madawaska-Restigouche, but representative of Restigouche only and the City of Campbellton. In my view the minister has played a leading role in all this.

Honourable senators, I am not going to bore you with a long list of figures, but I do want to draw your attention again to the saving of 41 miles at $12 per mile which, if you multiply it by 365, gives a saving of approximately $350,000 per year, which is a sizable amount of money.

In order to give us some kind of service, and this again is something I cannot understand, the C.N.R. has attempted to give us a Budd car or rail-liner. But here they have to use two cars from Edmundston because they are not dependable. One car would be enough but they have to add on a spare car behind and keep the motor running although it has no passengers and has locked doors. It is a long run, most of it out in the woods, and they have to use two cars.

So they have to use two Budd cars from Moncton to Edmundston; they have to use two Budd cars from Edmundston to Montreal. I understand these cars are employed on a rental basis. I presume they are fairly expensive to rent, and certainly with the number of passengers patronizing this service at the moment it does not make it pay because they are running about half full.

People are angry; people are cursing the railway because they removed the train. People agree there is no need to have three trains on the northshore and not one running in central New Brunswick. After four years' experience the facts are available and are on record that it is paying, so they cannot deny that any more. There is absolutely no saving involved in removing it from central New Brunswick and putting it on the North Shore route, which is 41 miles longer. We do not swallow it that easily. The railways know very well they have a route between Moncton and Saint John with a Budd car service which costs them practically half a million dollars a year. And that is a very short run. This service they are trying to make us swallow now is going to be one of the most expensive passenger services in Canada—no one can deny that—and it is not going to survive for very long. I am inclined to believe, and I am not the only one, that it was put there to serve a purpose, so that they will be able to come back to us and say that it does not pay. And they will be right, because it will not pay the way it is being run now. They have lost the people of the Gagetown area because Gagetown no longer has access to the C.N.R. service, and they travel by C.P.R.

The revenue from Moncton to Campbellton covers four counties—Kent, Northumberland, Gloucester and Restigouche. The total population is 190,000 and the total revenue $148,600. In the Edmundston region, the line which has been removed, there are six counties—Queens, Sunbury, York, Carleton, Victoria and Madawaska. The total population is 177,800 and the revenue is $173,900. So the revenue was about 16 per cent higher than in the other section. I do not where this will lead to.

The superintendent of the Moncton division met the mayors of the cities in Fredericton last week and he gave them some drastic figures. Personally, I am one of those who cannot understand the statement of Mr. Vaughan in which he says that the Canadian National will save $4 million by removing the *Ocean Limited* from the trans-continental run and putting it on the North Shore run. It is impossible. This is why, if I come back shortly with more notices of inquiry, you should not be surprised. I intend to keep working on this matter in the interests of my own people. I am not trying to get anything out of the C.N.R.

There was a statement made in the Campbellton office to which I object very strongly, but I will not go into that now. I am not going to stand idle and be told false representations made by officials of Canadian National. If they give me the facts that prove I am wrong in my statements, I will gladly apologize, very honestly and sincerely, but I will never do that unless I am proved wrong.

Hon. Mr. Martin: I wish the Leader of the Opposition would take that position!

Hon. Mr. Fournier (Madawaska-Restigouche): Based on the information that was given to us, even lately, it cannot be justified. I do not know how they juggle these figures. When the *Ocean Limited* or the *Scotian* or the *Chaleur* arrives in Moncton it is full. Then from Moncton it goes through Edmundston and pick up the odd 60, 75 or 100 passengers, without any additional cost, and then you join the main line at Joffre for Levis or Quebec and on to Montreal. This is very hard to understand.

I said a while ago that I thought there were too many "fils à papa" employed by the railway with sharpened pencils and very little experience trying to justify their positions. I regret such situations exist, and I have no hesitation in calling it a bloody mess because it is a bloody mess.

Hon. Mr. Haig: Honourable senators, I move the adjournment of the debate. In doing so, I inform the house that I will not discuss the problems of New Brunswick and the C.N.R.!

Hon. Mr. Fournier (Madawaska-Restigouche): You should!

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

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, Senator Cameron sent word that he hoped to be here despite the bad weather that has held him up in Montreal. In this way he could have proceeded with item No. 4. However, he has not reached Ottawa. We have no alternative now but to proceed with that matter on Thursday next.

Likewise, we had hoped to proceed with the debate on item No. 3, the setting up of a Special Joint Committee on the Constitution, but two senators who had indicated their intention of taking part in the debate have also been detained, I presume as a result of the bad weather. So it is intended that we will consider this item with the others on Thursday. If it is possible, we should conclude our consideration of item No. 3 on Thursday. In

any event we will proceed with it on Thursday when I understand Senator Fournier (Madawaska-Restigouche) and Senator Yuzyk, among others, propose to speak.

We have had to take into account not only the weather conditions, but the general availability of business for tomorrow, and the fact that a number of committees are sitting. The Special Committee of the Senate on Mass Media will be sitting three times tomorrow, and the Standing Senate Committee on Banking, Trade and Commerce, after considering three bills will continue its study of the White Paper on Taxation.

In the light of these facts perhaps we should not sit tomorrow. We shall, however, resume our sittings on Thursday at 2 o'clock in the afternoon.

The Senate adjourned until Thursday, February 12, at 2 p.m.

THE SENATE

Thursday, February 12, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report on the Operation of the Regional Development Incentives Act for the period January 1 to January 31, 1970, pursuant to section 16 of the said Act, chapter 56, Statutes of Canada, 1968-69.

Report on the Administration of the Canada Assistance Plan for the fiscal year ended March 31, 1968, pursuant to section 20, chapter 45, Statutes of Canada, 1966-67.

Copies of Closing Statement of the National Conference on Price Stability which was called by the Prices and Incomes Commission and held in Ottawa on February 9 and 10, 1970.

Estimates for the fiscal year ending March 31, 1971.

CRIMINAL CODE

PUNISHMENT FOR THEFT—BILL TO AMEND—FIRST READING

Hon. John M. Macdonald presented Bill S-21, to amend the Criminal Code.

Bill read first time.

Hon. Mr. Macdonald moved that the bill be placed on the Orders of the Day for second reading on Thursday, February 19.

Motion agreed to.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-9, to amend the Small Businesses Loans Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Phillips (Rigaud): I move that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Hon. Paul Martin: Honourable senators, is it not possible to proceed now with the third reading of Bill C-9?

Hon. Mr. Phillips (Rigaud): Senator Burchill dealt with the second reading of this bill. Because he did not rise to deal with this item, I assumed that I should not ask that the rule be waived to allow third reading of the bill now.

Hon. G. Percival Burchill: I am sorry. It is in order to proceed with the third reading today.

Hon. Mr. Phillips (Rigaud): With the consent of the Senate, I ask that Rule 45 (1) (b) be waived, and that I move third reading of this bill now.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

BRUNNER CORPORATION (CANADA) LIMITED—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Hon. Mr. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-18, respecting Brunner Corporation (Canada) Limited, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Phillips (Rigaud): Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(b), I move, on behalf of Senator Lang, that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

TEXTILE LABELLING BILL

REPORT OF COMMITTEE ADOPTED

Hon. Lazarus Phillips, for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-20, respecting the labelling, sale, importation and advertising of consumer textile

articles, and had directed that the bill be reported with the following amendments:

1. Pages 1 and 2: Strike out subparagraph (ii) of paragraph (d) of clause 2 in the English and French versions of the bill and substitute therefor the following:

"(ii) Any product made in whole or in part from a textile fibre, yarn or fabric that is in the form in which it is or is to be sold to any person for consumption or use, other than consumption or use in the manufacturing, processing or finishing of any product for sale;"

2. Page 3: Strike out subclause (1) of clause 5 in the English version of the bill only and substitute therefor the following:

"5. (1) No dealer shall apply to a consumer textile article a label, or sell, import into Canada or advertise a consumer textile article that has applied to it a label, that contains any false or misleading representation relating to or that may reasonably be regarded as relating to the article."

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

Hon. Mr. Phillips (Rigaud): Honourable senators, with the consent of the Senate and notwithstanding the provisions of Rule 45(1)(f), I move that these amendments be considered now.

The Hon. the Speaker: Honourable Senators, with leave of the Senate, it is moved by honourable Senator Phillips (Rigaud)—

Hon. Mr. Grosart: Honourable senators, I rise on a point of order.

The Hon. the Speaker: Would the honourable senator prefer that I put the motion and then he might speak to it?

Hon. Mr. Grosart: I am rising on a point of order.

The Hon. the Speaker: On a point of order.

Hon. Mr. Grosart: It refers to the request made by honourable Senator Phillips (Rigaud) for leave to proceed and then have third reading today. I compliment him on the usual care with which he informs the Senate of the precise section of our rules that he proposes to set aside.

The Hon. the Speaker: Order, please. If the honourable Senator Grosart will permit an interruption, I understand that the motion before us is for the consideration of the report of the committee now. I do not think there has been a motion for third reading.

Hon. Mr. Flynn: No, no.

The Hon. the Speaker: This is for the adoption of the report of the committee.

Hon. Mr. Croll: No, no, the senator moved the adoption.

The Hon. the Speaker: I do not think there has been a motion for third reading of the bill. We are discussing now the adoption of the report of the committee on the motion of the honourable Senator Phillips (Rigaud). I would ask the honourable senator to please repeat his motion.

Hon. Mr. Phillips (Rigaud): You are perfectly correct, Mr. Speaker. I thought I had indicated that at this stage I was referring to Rule 45(1)(f) from which I was seeking a dispensation. This deals with the adoption of a report from a standing committee which under normal circumstances would require one day's notice.

Hon. Mr. Grosart: That is exactly the point I was coming to, Mr. Speaker. I am suggesting that leave in this situation requires the setting aside of Rule 78(5). This is an important rule in this situation where an honourable senator is moving the adoption of a report recommending amendments. Our rules require that when such a motion is moved, consideration shall be postponed to a future date. I realize there are reasons why it would not be advisable to postpone consideration on this occasion and I am not withholding my share of the consent. I am merely pointing out the importance of Rule 78(5). Perhaps the motion should be phrased, "notwithstanding Rule 78(5)" rather than "notwithstanding Rule 45(1)(f)."

Hon. Mr. Phillips (Rigaud): May I ask for guidance from my honourable friend Senator Grosart, to whose authority on the Rules of the Senate I sincerely bow. Does not Rule 78 refer to select committees, whereas Rule 45(1)(f) refers to reports from standing committees?

Hon. Mr. Grosart: With respect, Mr. Speaker, perhaps it hardly needs to be pointed out that a standing committee of the Senate is a select committee.

Hon. Mr. Phillips (Rigaud): May I then revise my motion by adopting Senator Gro-

sart's correction and move, notwithstanding Rule 45(1)(f), and if need be Rule 78(5), to deal with the subject matter now?

The Hon. the Speaker: Is it your pleasure, honourable senators, to consent that the motion be revised accordingly?

Hon. Senators: Agreed.

Hon. Mr. Phillips (Rigaud): Honourable senators, there are two amendments in the report, to which we require your concurrence. The first amendment is to strike out subparagraph (ii) of clause 2(d) found at the top of page 2 of the bill under the heading "Consumer textile article", and replace it by the wording just read to you by the Clerk Assistant. If I may, I shall read into the record the recommendation for the proposed amendment.

> It was the intention that any textile fibre, yarn, fabric or any product made therefrom be a "consumer textile article" as soon as it is made into the form in which it is sold or to be sold to the ultimate consumer. Once it is in that form, it is a "consumer textile article" even though it may still be in the hands of a manufacturer, processor, finisher, importer or wholesaler. This is apparent from the scheme of the Act, in particular, sections 3 and 5(1). It appears that the present definition of consumer textile article is open to the interpretation that any textile fibre, yarn, fabric or product made therefrom shall not be deemed to be a consumer textile article until it is in the hands of the retailer, and that therefore "dealer" as referred to in sections 3 and 5(1) can mean only a retailer. This is not what was intended, as the definition of "dealer" shows.

In effect, what we are suggesting by the amendment is that a "consumer textile article" is a completely processed article ready for sale to the consumer, even though it may not be in the hands of the retailer at the moment.

The second amendment, honourable senators, is one involving semantics and draftsmanship. As originally presented, the words "No dealer shall affix"—and I call your attention particularly to the word "affix"—were used. The word "apply" is defined in the interpretation section. In committee we were indebted to certain honourable senators on the other side of the house—I understand that proprieties do not call for mentioning names—who were good enough to draw our attention to the faulty technical wording of section 5. We have overcome that difficulty by striking out the word "affix" in the first line and substituting the word "apply". In the second line, after the words "textile article" we have inserted the words "a label". In the fourth line we have inserted a comma after the word "label".

As I say, it is a matter of semantics and draftsmanship, and does away with opportunities for lawyers to create good defences before the courts based on the old words which may have caused misunderstanding on interpretation.

Report adopted.

THIRD READING

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

Hon. Mr. Phillips (Rigaud): Honourable senators, with leave of the Senate and notwithstanding the provisions of Rule 45(1)(b), I move that the bill be read the third time now.

Hon. Mr. Grosart: I am sure that the honourable Senator Phillips would not mind including Rule 78(5) again, because it is necessary.

Hon. Mr. Phillips (Rigaud): I am sorry, I overlooked the inclusion of Rule 78(5). With leave of the Senate and notwithstanding the provisions of Rule 45(1)(b) and Rule 78(5), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE ESTIMATES

NATIONAL FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT

Hon. Paul Martin, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1971, in advance of bills based upon the said Estimates reaching the Senate; and
>
> That the committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry; and

That the committee have power to sit during adjournments of the Senate.

Motion agreed to.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until tomorrow, Friday, February 13, at 11 o'clock in the morning.

Hon. Josie D. Quart: No.

Motion agreed to, on division.

PAROLE ACT

BILL TO AMEND—THIRD READING

Hon. Paul Martin moved the third reading of Bill S-19, to amend the Parole Act.

Motion agreed to and bill read third time and passed.

RAILWAY ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, February 10, the adjourned debate on the motion of Hon. Mr. Burchill for the second reading of Bill C-11, to amend the Railway Act.

Hon. J. Campbell Haig: Honourable senators, Bill C-11 was passed by the House of Commons on January 28, 1970, after having been explained by the Honourable Eric Kierans on November 10, 1969. The Minister's explanation appears at page 685 of the *House of Commons Debates.*

According to the explanatory notes attached to the bill, the Canadian Transport Commission has authority to approve telegraph and telephone tolls to be charged by companies to which the Railway Act applies, but this authority does not extend to private wire services. The provisions of this bill will remove the exemption of the private wire services, and would place telegraph and telephone tolls for companies' services and facilities within the jurisdiction of the Canadian Transport Commission.

This provision excludes charges for broadcasting services from the jurisdiction of the commission by reason of the fact that the expansion of private wire services with the use of computers and data processing require, as explained by the minister at page 693 of *Hansard* of the other place, that a new approach be taken in respect of the regulating powers of the Canadian Transport Commission with regard to telecommunications companies whose activities fall within its jurisdiction.

The minister also explained to the House of Commons that this is really a holding operation, because they have requested and received studies on some fifty different subjects, and the Government is not yet ready to expand or extend this policy in regard to telecommunications services.

At page 15 of the report of the proceedings before the Transport and Communications Committee the minister is reported to have said:

> The Government has decided to move immediately to put these data transmission services along with other private wire offerings under the control of the Canadian Transport Commission.

Honourable senators, it is my view that this bill should be referred to the Standing Senate Committee on Transport and Communications, because there are certain technical matters in connection with it that have not yet been satisfactorily explained. After hearing officials of the Department of Transport we will have a better understanding of this bill. I urge the honourable sponsor (Hon. Mr. Burchill) to move that this bill be referred to the committee.

Hon. G. Percival Burchill: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Burchill speaks now his remarks will have the effect of closing the debate on the motion for second reading.

Hon. Mr. Burchill: Honourable senators, before moving that this bill be referred to the Standing Senate Committee on Transport and Communications, I wish to say that I was very impressed the other day by the remarks of Senator Fournier (Madawaska-Restigouche) regarding the way his portion of the Province of New Brunswick has been treated by the Canadian National Railways. Indeed, I sympathize with him.

The train known as the *Ocean Limited* has been moved to the old route which goes through my section of the province. However, I point out that we were well served by the previous train, the *Chaleur.*

I was surprised to hear that the situation in the northwestern part of the province was as Senator Fournier described it. It is truly an

outrage that in order to get to Ottawa to attend a sitting of this house on Tuesday, he has to leave home on a dayliner at 7.30 Monday morning, and travel all day, arriving in Montreal in the evening. There is no other transportation service out of Edmundston, including air.

It is a disgrace that the Canadian National Railways have treated that section of the province in that way. If I can do anything in my particular section of the province to make the C.N.R. see the position in a different light, I shall be happy to do it. Certainly the figures we were given as to the earnings of the various trains do not support the argument that so much loss of revenue was occasioned by routing the train through Edmundston and across the province.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

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

EXPROPRIATION BILL

SECOND READING—DEBATE ADJOURNED

Hon. Earl W. Urquhart moved the second reading of Bill C-136, respecting the Expropriation of Land.

He said: Honourable senators, Bill C-136 is a long and a complicated bill. It outlines an entirely new procedure for expropriation of land for federal purposes because the existing law on the subject is found mainly under the Expropriation Act, chapter 106, Revised Statutes of Canada 1952, and has remained substantially unchanged since its enactment in 1886. There is therefore little wonder that this ancient and arbitrary law of expropriation, which was born in an agrarian society more than eighty years ago, is in its present form entirely unsuited to the complexities and realities of our modern urban life.

This legislation will apply to all federal departments of government and to expropriations by the Canadian Broadcasting Corporation, the National Capital Commission, the National Harbours Board and the St. Lawrence Seaway Authority. It will not, however, extend to interprovincial railways or to private companies under special acts which exercise special expropriation powers. The Government plans to deal separately with these situations in the future, including the Canadian National Railways and the Canadian Pacific Railway.

This bill provides for expropriation by the Crown for a public work or a public purpose and all expropriations shall come under one minister, the Minister of Public Works.

In explaining the principles of this bill on second reading, I do not propose to go into great detail because I will, following the second reading, move that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs. I propose therefore to give the highlights of the new principles embodied in the bill and provide some detail in explanation of these highlights.

The first change in the law relating to expropriation which this bill provides for is as to the requirement of public notice of intention to expropriate. Under the present law, the federal Government can expropriate in an arbitrary manner any land or interest in land without notice to the owner or the tenant. Indeed, many owners in the past did not know that their land was expropriated until after the expropriation documents were registered in the local registry office.

This bill drastically changes that procedure and requires that the Crown give a notice of intention to expropriate. The notice of intention to expropriate shall be, (a) registered in the local registry office; (b) published in a local newspaper within 30 days after its registration in the registry office; (c) sent by registered mail to any person whose interest against the property appears in the local registry office; and, (d) subsequently published in the *Canada Gazette*.

I should add that the notice of intention to expropriate must contain a statement as to the right of the owner or any person to object to the expropriation; it must describe the property to be taken, and indicate the public work or public purposes for which the land is required.

Under this procedure, the veil of secrecy that presently surrounds intended expropriations will be lifted. Under this legislation all expropriations will be above board.

The bill further requires that there be a public hearing before expropriation. Under the present law, an owner or tenant of property has no recognized legal right to object to the expropriation of his property—no right whatsoever. Under this bill an owner, tenant, or any other person may object to the expropriation within 30 days by writing a letter

and sending it by registered mail to the minister setting forth the following information: (a) the nature of his objections; (b) the grounds on which the objections are based; and (c) the nature of his interest in the matter.

The Attorney General of Canada will appoint a Hearing Officer, who must not be a public servant, to hear the objections and report within 30 days to the Minister of Public Works. The person or persons who have raised the objections are entitled to be paid the cost of asserting the objections to the extent that the Hearing Officer deems them reasonable. If the minister decides to confirm the expropriation and expropriate the property he must, at the request of a person who objected, furnish him with a copy of the Hearing Officer's report and state his reasons for not giving effect to his objections.

The bill requires notice of confirmation to expropriate within 120 days of the notice of intention to expropriate published in the *Canada Gazette,* and the minister must decide whether he is going to proceed with the expropriation. If he does not, it is deemed to be abandoned and the owner is entitled to the amount of any actual loss sustained by him while the notice was in effect. If the minister decides to go ahead with the expropriation and registers the notice of confirmation of expropriation, the minister must within 90 days offer an amount estimated to be full compensation. The offer must be based on a written appraisal, and a copy of the appraisal must be sent to the owner along with the offer. The owner may accept the offer without prejudice and, if he is not satisfied with the amount of compensation offered, he can proceed in the Exchequer Court in an attempt to get a higher amount of compensation.

If the minister does not make his offer within the required 90 days, in addition to all other interests the owner is paid 5 per cent on the compensation from the date when the offer should have been made to when it was actually made. The Crown in this instance is being penalized for being tardy.

Provision is made for negotiation procedure. Under the present law there is no prescribed negotiation procedure to assist in the resolution of disputes respecting compensation between the owner of the expropriated property and the Crown. Under this bill if the owner and the minister fail to agree on the amount of compensation within 60 days from the date the offer was made, then either the owner or the minister can serve a notice to negotiate which stays all proceedings for 60 days from the date of service of the notice to negotiate. The minister then refers the matter to a negotiator, who must not be a public servant, who inspects the property, considers appraisals, valuations and other evidence with a view to effecting a settlement of the compensation payable. The negotiator reports within 60 days to the minister and all statements made in the course of these negotiations are necessarily privileged and will not be admissible in legal proceedings to determine the compensation payable.

The bill prescribes principles of compensation. At present the rules that govern the determination of the amount of compensation payable are unstated except in the decided cases. They depend on the rules that have been determined over the years by the Exchequer Court of Canada.

The new law will provide a code for determining the compensation payable with the minimum or base amount being in general the market value of the property at the time of its taking. Provision is expressly made to compensate for any costs or losses incidental to disturbance, including moving to other premises and for any element of special economic advantage relating to occupation or use of the property. Special rules are also included to cover specially designed buildings such as schools, hospitals and religious institutions for which there is no general demand or market.

Holders of security interests and mortgage interests are also dealt with specifically. In the case of the expropriation of a residence, the new law will recognize the right of the expropriated person to claim as compensation the cost of relocating his residence in reasonably equivalent premises if the compensation otherwise payable to him is not sufficient to enable him to do this. In the case of a tenant, the length of the term remaining under his lease, his prospects of obtaining a renewal of the lease and his investment in the property, including the nature of any business carried on by him on the premises, will all be taken into consideration in determining the compensation payable to him.

All legal appraisal and other costs incurred by an owner or tenant prior to legal proceedings in the Exchequer Court are payable by the Crown.

The owner has one year in which to proceed in the Exchequer Court in an attempt to get more compensation than the money

offered to him after the certificate of confirmation was registered. If the owner gets a higher award by the court than that offered to him by the minister, he is entitled to interest on the difference at a rate not less than the yield from Canadian Treasury bills. If the offer is less than 90 per cent of the judgment, he is entitled to additional interest of 5 per cent on the compensation adjudged payable. If the judgment of the Exchequer Court is less than the Crown's offer, the Crown can recover the difference as a debt due the Crown.

The bill makes provision with respect to possession. Under the present law a person whose property has been expropriated without notice and without a hearing can be required to give up possession immediately and prior to the payment of any compensation by the Government. Under this bill the new law will provide that following the registration of the notice of confirmation to expropriate, each person who is entitled to compensation must be offered within 90 days thereafter an amount estimated to be his full compensation, and in addition he must be given 90 days' notice before actual possession by the Crown can be achieved. However, if possession is required on a shorter notice than 90 days, the Crown must pay additional compensation to those in occupation at the rate of 10 per cent of the value of the expropiated property or the compensation payable. The owner thereby is further reimbursed for giving up possession before the end of the 90-day period.

The proposed legislation makes certain provisions respecting abandonment. Under the present law the Crown can abandon an expropriation at any time prior to the payment of compensation and without the owner's content. Under this bill a notice of intention to abandon must be sent to all those who had an interest in the land at the time the notice of confirmation to expropriate was registered and before compensation is paid. Each person who had an interest must consent within 30 days to the abandonment, otherwise the minister has no authority to abandon. In other words, if five people are involved, there must be unanimous consent from all five before the Crown can abandon the expropriation. If unanimous consent is not obtained, then the Crown must pay the compensation and dispose of the land on its own at a later date.

As the administrative arm of the state more and more exerts increasing control over social values and goals, people are demanding better and greater protection from abuses of that administrative process. As the Minister of Justice, the Honourable Mr. Turner, has said, "This bill strikes a blow for individuals' rights against the arbitrary power of the State." In a larger measure, this bill will achieve equality of access and treatment before the law for rich and poor alike. It will achieve a better balance between the right of the ordinary citizen and the government of the day. This proposed Expropriation Act, with its guarantees of the individual's right to notice, to a hearing, to negotiation, to appeal and to minimum compensation, will enhance the power of the individual against the state.

The claimant will be entitled as of right to have the whole of his costs paid by the Government where the amount awarded to him by the court exceeds the amount of compensation offered to him by the Government, and in any other case the awarding of court costs will be in the discretion of the court. It will therefore be seen that the new law will make express provision for the payment of costs to our citizens who are involved in expropriation cases at three stages, namely, the pre-expropriation stage when objections can be taken to the notice of intention to expropriate itself, the negotiation stage following the confirmation of an intention to expropriate, and the litigation stage to which resort may be had in the event that a negotiated settlement cannot be achieved.

Honourable senators, this bill strikes a solid blow against the arbitrary powers of the state. It is a bill in favour of the citizens of this country regardless of their wealth or their social or public standing. I commend this bill to the favourable consideration of this chamber.

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

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, February 5, the debate on the motion of Hon. Mr. Martin, that the Senate do unite with the House of Commons in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

The Hon. the Speaker: Honourable Senator Croll.

Hon. Paul Martin: Honourable senators, Senator Croll has conceded his place and I understand that Senator Fournier (Madawaska-Restigouche) is ready to speak.

The Hon. the Speaker: Honourable senators, is it agreed that honourable Senator Fournier (Madawaska-Restigouche) speak now?

Hon. Senators: Agreed.

Hon. Edgar Fournier: Honourable senators, on the setting up of this special committee on the Constitution, I know and accept my ignorance on constitutional matters. I rise to make a few simple and humble remarks as an ordinary citizen. My remarks will be short and simple expressions of mind and thought. I do not wish to repeat what has been said, but I would draw the attention of the senators to some points.

Our country has come a long way under the old Constitution. That Constitution should not be discarded entirely. Its political philosophy should be maintained. This is most important.

Personally, I see very little wrong with the old Constitution. The problems which some of us had to live through were not so much the fault of the Constitution itself but rather in its application. The present Constitution should be used as a base for future revision.

I am also of the opinion that if the nation had been a little more careful with some of the special rights given to some provinces, since its institution in 1867, we would not be facing today some of the difficulties which we have in the Province of Quebec and in some regions across Canada. For a new constitution, if we want it to be successful, we certainly have to change our attitudes.

What I deplore about this committee is not the calibre of the members—especially not the calibre of the members from the Senate—but the unbalanced regional representation. Quebec and Ontario have too many members, while many sections across the country have no representatives at all. The Atlantic Provinces were the cradle of Confederation but so far they have no representation. Furthermore, the greater majority of the members, especially from the Senate, are city dwellers. Who will look after and defend the cause of the rural areas and the country people, who have so many problems today?

There is another remark I might make, in lighter vein. I note that our committee seems to be overloaded with lawyers. There are six lawyers and only four laymen. I hold nothing against lawyers and their knowledge on constitutional matters—I congratulate them. They are the gentlemen I have to see when I am in trouble. I have to keep up with them and be good with them. But one often finds that his trouble is greater after he walks out of the office than it was before he walked in.

In my humble opinion, with one lawyer you usually accomplish something; with two lawyers, you accomplish less; with three lawyers you multiply your problems; with four lawyers you are in serious trouble; and if you add a few more lawyers, the problems shift into the lawyers' camps and it is then all turmoil and nothing can be settled. I hope our committee will not fall into this category. While I have the greatest confidence in the Senate membership on this committee, I would recommend to them that they listen to the citizens of Canada from every province and from all classes of society, before writing the rules.

I sincerely hope that it is not too late to bring about a proper and fairer representation of all the provinces which have been ignored up to this moment.

This will be a gigantic task; it will require wisdom and sincerity, not overlooking the fact that this committee will in effect be tracing our road map for another century. This is the time to straighten the curves, to gap the hills and the hollows, to build the bridges and pave the road for a better and more united Canada, for this and for future generations.

Hon. Paul Yuzyk: Honourable senators, I should like to move the adjournment of this debate.

Hon. Mr. Martin: Honourable senators, may I intervene? I spoke to my honourable friend last evening. As it is unlikely that we will be sitting next week, I would hope that we could proceed and dispose of this matter today, certainly not later than tomorrow.

Hon. Mr. Flynn: Why?

Hon. Mr. Martin: So that the committee can be organized next week. I hope the senator will speak now.

Hon. Mr. Flynn: If we are not sitting next week, what difference would it make? We will not be here.

Hon. Mr. Martin: We want the committee set up.

Hon. Mr. Flynn: I know, but the membership is already provided in the motion. If we

do not sit next week, I suggest it will make no difference. If we sit next week, we could conclude the debate on Tuesday evening. I do not see why the honourable senator, if he is not ready to proceed now, should be pressed on.

Hon. Mr. Martin: If the Senate will permit me, I do not think the Leader of the Opposition has correctly assessed the situation. What we are seeking to do is to have the joint committee set up so that it can have its organization meeting next week. That is the purpose.

The names of the members of the House of Commons to that committee are being submitted to that house today, I believe, and the hope is that the committee will at least be organized next week and be ready to proceed at the beginning of the following week. That is the reason. If we do not dispose of this matter today, or tomorrow, and if we do not sit next week, we will be delaying the procedure for another ten days. I have no objection, if the honourable senator wishes to go on tomorrow morning. We cannot oppose his motion for adjournment. I would hope, therefore, that he would accede to my request.

Hon. Allister Grosart: I wonder if the Leader of the Government would explain the urgency, in view of the fact that it was at the Government's initiative we did not sit yesterday. It seems rather strange to me that the Leader of the Government should now urge that this debate be continued at this stage when it could have been continued and finished yesterday. I say that because some of us think that the order of our sitting here could be managed in a better way than it is being managed at present. I say that critically because it seems obvious to me that there was no reason whatever why we should not have sat yesterday and finished up this business. I think it unreasonable for the Leader of the Government now to discover that there is some urgency in this matter that he could not have discovered 24 hours ago.

Hon. Mr. Martin: I fully appreciate the honourable senator's indignation, and I know it is a genuine indignation. The reason we did not sit yesterday was because there was not sufficient work requiring our attention, apart from this matter. I had understood, and I mentioned it on Tuesday night because of information given to me by Senator Grosart, that Senator Fournier (Madawaska-Restigouche) and Senator Yuzyk would speak on this matter. I was most anxious to hear both of them. In fact I discussed this matter with Senator Yuzyk last evening and expressed the hope that he would speak today.

Of course I am in the hands of the Senate. We could delay this matter and come back next week to deal with it if that is what honourable senators want.

Hon. Senators: No, no.

Hon. Mr. Martin: I think we will have to consider doing so because we want to get this joint committee set up and operating. The other place has already disposed of it, and they will be ready to deal with the matter when we send it to them. I do not think we want to be in the position of being the chamber responsible for the delay in proceeding with the work of this joint committee.

There is no need of any misunderstanding. If an honourable senator feels he cannot go on today, I respect his right, but I also say that in those circumstances we will have to give consideration as to whether or not we should sit tomorrow morning or next week.

Hon. Lionel Choquette: May I ask the Leader of the House a question?

We have heard some very interesting debates on this matter. I think the honourable Senator Argue who gave the first signal also made the first complaint because he thought the western provinces were not sufficiently represented. We have just heard Senator Fournier's speech today in which he made the same complaint. Are the suggestions of these senators to be ignored? Is that what I understand? Do I understand that we are facing a fait accompli, and that the minute we receive the list of names from the other place we just add these names to those ones in this motion. Are the suggestions and complaints made by the honourable senators who spoke to be ignored?

Hon. Mr. Martin: Honourable Senator Choquette knows certainly that any suggestion he would make would not be ignored. He also knows that I propose to close this debate briefly and give my reaction and my response to the suggestions that have been made. The matter then will be submitted to the Senate for adoption. When we have adopted the resolution, a message will be sent to the other house saying that we have agreed to join with them as requested in the establishment of the joint committee. It is my intention to deal with the suggestions that have been made by Senator Fournier (Madawaska-Restigouche) this afternoon, and earlier by Senator Fergusson and other honourable senators.

The question before us now, honourable senators, is not one which should cause tension between men who are otherwise fully in tune with one another. I have sought to be fully in tune with the Opposition as well as with my own side. I am anxious to see this joint committee set up, as I am sure we all are. Senator Flynn in his speech the other day said the quicker we get going on this the better. With that view I fully agree.

All I am saying to Senator Yuzyk is that if he does not feel he can go on today, it is his right to adjourn the debate. There is a tradition in this chamber that if a senator moves the adjournment of a debate, it is respected under normal circumstances. Therefore, if that is the case now and he cannot go on tomorrow, then I think we will have to give consideration to sitting next week.

Hon. Mr. Choquette: That is a threat.

Hon. Mr. Martin: Senator Choquette has a sort of friendly smile on his face, and I hope he does not take what I have said as being a threat. It is not a threat. We do not have to operate in this house in that way. But I think it is important that we co-operate with the other place in getting this committee established as early as possible, and if we cannot do it this week, then we will have to do it next week.

Hon. Mr. Yuzyk: Do I understand that Senator Croll has withdrawn from this debate?

Hon. Mr. Martin: Yes, he has.

Hon. Mr. Yuzyk: I was not aware of that. The reason I am not prepared to proceed today is that I have given a great deal of thought to this matter. As the honourable leader has said, we discussed this question yesterday and I indicated I was prepared to go on. But I have now come to the conclusion that I need a little more preparation than was possible for me yesterday or even today. I have had an unusually heavy load of activities connected with my work in the Senate, and as a result I was not able to prepare the type of speech I would like recorded in this chamber.

Hon. Mr. Grosart: You need another week.

Hon. Mr. Martin: Very well, we will sit on Tuesday.

Hon. Mr. Yuzyk: Consequently, I am obliged to move the adjournment of this debate today. If it is possible for me to complete my preparations for tomorrow, it will mean working very hard today. At any rate, I shall be here tomorrow to take part in our deliberations.

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

CANADA STUDENT LOANS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Donald Cameron moved the second reading of Bill C-135, to amend the Canada Student Loans Act.

He said: Honourable senators, I am happy to have the opportunity of moving second reading of this bill to amend what has been a very important piece of legislation as far as thousands of young people in Canada are concerned.

As honourable senators are no doubt aware, this program, which was implemented in July 1964 in time for the academic year 1964-65, provides a government guarantee for loans made by the chartered banks and certain designated credit unions to qualifying students. The Government pays the interest on these loans during the period that the student is engaged in full-time study and for six months thereafter. At this time the student assumes responsibility for interest charges and principal repayment.

Before speaking in detail on the amendments contained in this bill, I would like to make some comments on the Canada Student Loans Plan and to indicate the important role that it has played in five and a half years in assisting thousands of Canadian students in pursuing some program of post-secondary studies.

It may interest honourable senators to know that in the years since 1964-65, 353,999 students have participated in this loans plan. This has involved an expenditure of $227.7 million, or an average loan per student of approximately $672. Now, 353,999 students represents a very substantial proportion of our total university population.

While I think this is a fine piece of legislation, I am sorry that one element has been left out. Everyone is aware that an increasing number of students are pursuing their progress towards a degree by the hardest way possible, by attending night school and summer school. The student who has the determination to get his degree in this way usually has the right kind of stuff in him, and

I think we should encourage such a student a little more than we have in the past. I realize that nothing can be done at this particular time, but I hope the next time this act is amended provision will be made for assistance to the part-time students. It may interest you to know that in metropolitan Toronto alone 16,000 students are pursuing studies towards a degree through the part-time method.

In 1968, 52,583 part-time students and 92,625 full-time degree students attended Ontario's provincially assisted universities. In that year more than 54,000 full-time students received some assistance from their government.

The part-time degree students have no access to assistance of any kind and they have to depend on their own limited resources. Many of them are working at a job; some are married and have families. It has been discovered that their average gross income is about $8,000, with a heavy concentration in the $5,000 to $6,000 a year bracket. Many part-time degree students earn as little as $2,000 a year.

I simply draw this to your attention because I think this is an important segment of the student population which is deserving of encouragement, and I suspect that the numbers enrolled in part-time degree courses will increase rather than decrease as time goes on.

Under the Canada Student Loans Plan, loans may be obtained only on the basis of certificates of eligibility issued by the provinces participating in the plan to their own resident students.

The act contains a provision whereby a province can opt out of the Canada Student Loans Plan if it wishes, and the Province of Quebec elected to do so at the time the plan was initiated and has received this payment in each year. All other provinces have participated in the plan, and the Yukon and the Northwest Territories are also able to issue certificates of eligibility to territorial residents for purposes of the program.

Eligible students may borrow up to $1,000 in any one academic year, and up to $5,000 over their entire academic career.

In 1964-65, the first year of the program, 42,000 students received loans valued at something in excess of $26 million. It may interest you to note the numbers for each year. In 1964-65, $26.7 million were allocated under the plan to 42,113 students. In 1965-66, $36 million were allocated to the program which was participated in by 51,272 students. In 1966-67 the amount allocated was $41.1 million, taken advantage of by 63,243 students. In 1967-68 the allocation was $57.9 million, and the participation was 90,371 students. In the year ending June 30, 1969 the allocation was $66 million, and the participation was 107,000 students. In other words, there was an increase in the one year—from 1967-68 to 1968-69—of 17,000 students. I suspect that as long as the student explosion continues we may expect this kind of increase to continue, though there will be some leveling off before too long.

I am sure honourable senators can see from the figures that the Canada Student Loans Plan has played an almost indispensible role in the student program in Canada. In 1964-65, the Canada Student Loans Plan was the only significant source of student aid available in participating provinces. During the intervening years, however, many participating provinces have initiated or have greatly expanded their own provincial student aid programs, in many cases integrating them with the Canada Student Loans Plan, so that financial assistance is provided in a combination of Canada Student Loans and provincial aid to help deserving students.

Each participating province has identified an appropriate authority which is responsible for issuing certificates of eligibility by that province—usually, the Department of Education or some body set up under it.

Very soon after the implementation of the plan, it became evident to all parties concerned that it was highly desirable for provinces to co-ordinate among themselves a number of administrative matters associated with the effective operation of the plan. To this end a committee of officials of the federal and provincial governments, including the non-participating province, have met regularly in Ottawa since 1964 to develop and continuously review commonly agreed approaches to a number of administrative matters. These meetings resulted in a set of criteria which were approved by all governments concerned. The first version of these criteria was published in three parts as an appendix to *Hansard* of the other place of June 11, 1965. These three parts consisted of agreed criteria for determining provincial residence, for establishing a number of definitions, and for determining a student's need for financial assistance. A number of revisions made in these were published as an appendix to *Hansard* of the other place of July 11, 1966.

I should say at this time that the high degree of effectiveness which has characterized the Canada Student Loans Plan simply would not have been achieved without the whole-hearted participation and initiative of the provinces at these federal-provincial meetings and their willingness to work towards a consensus on the approach to be followed by all on matters of common concern in the administration of the plan. The result is a basic student loan facility which is available to students in all participating provinces for attendance at recognized post-secondary institutions inside and outside Canada, and which is administered on a uniform, consistent and equitable basis among provinces, but which still leaves individual provinces flexibility to deal with factors operating uniquely within their jurisdictions.

Turning now to the more detailed aspects of the Canada Student Loans Act, particularly as they relate to the bill currently before us, honourable senators will recall that the Canada Student Loans Act provides a basic loan provision for each loan year. This basic loan provision is divided among the provinces, both participating and non-participating, into provincial allocations on the basis of the interprovincial distribution of the general population in the 18-to-24 year age group. The provincial allocation acts as a limit on the aggregate value of certificates of eligibility which can be issued by a participating province. The basic loan provision was originally established for the loan year opening on July 1, 1964, at $40 million, and provision was made in the act that this be increased in subsequent loan years by the percentage increase in the 18-to-24 year-old population in Canada from year to year. The $40 million amount proved sufficient overall in the first loan year, but inadequate in the case of a few individual participating provinces, and it was necessary, through the medium of estimates, to provide special increases for that year.

Early in the second loan year, which commenced on July 1, 1965, it became apparent that the basic loan provision, which had increased by a small amount over the first year, would be inadequate to meet the demand for loans which would be placed on it. In June 1966, therefore, amendments were enacted to the Canada Student Loans Act which increased the basic loan provision for the year 1965-66 to $58 million. At the same time, a supplementary loan provision, equal to 20 per cent of the basic loan amount in a loan year, was established which could be allocated by the Minister of Finance on the request of a province where the demand for loans exceeded the available provincial allocation. This feature was incorporated in the act because it was recognized that there was a different relative demand for loans among participating provinces which could not be met by dividing the basic loan provision among provinces simply on the basis of population distribution.

These amendments enabled the Canada Student Loans Plan to work effectively until the loan year 1968-69. During the intervening period the rate of increase in Canadian students attending post-secondary institutions was some three times greater than that in the 18-to-24 year population age group. This inevitably meant that the growth in demand for student loans would outstrip the increase in the basic loan provision from year to year, and this situation came to a head last year.

The legislative calendar did not provide an opportunity to introduce amending legislation to deal with this situation, and once again the supplementary Estimates were used to provide a temporary solution.

Appropriation Act No. 1, 1969, established the basic loan provisions for the year 1968-69 at $80 million, and increased the supplementary loan amount from 20 per cent to 21 per cent of the revised basic loan provision. The same item also took account of the current loan year, which commenced last July 1, setting the basic loan amount at $100 million and increasing the supplementary provision to 30 per cent. No provision was made for the period beyond June 30 of this year and, in the absence of legislative action prior to that time, available allocations for the loan year 1970-71, as they would be determined under the provisions currently in the act, would be insufficient. It is primarily for this reason that we are considering Bill C-135 at this time.

During the period since the Canada Students Loan Act was last amended, a number of matters have arisen related to conditions spelled out in the body of the act, which have caused complications for borrowers and others in the effective administration of the program. A number of the amendments in Bill C-135 are intended to rectify these matters.

The most significant amendment to be considered will be that dealing with available allocations for the loan year commencing July 1, 1970, and for subsequent years. In 1970-71 the basic loan provision will be established at $115 million, a 15 per cent increase over the

current year. For loan years subsequent to 1970-71, the basic loan provision will be escalated by the percentage increase in total post-secondary enrolment in Canada in that year rather than the present increase in population ages 18 to 24. This will provide for an escalation factor of from 12 per cent to 15 per cent a year for the next few years, rather than from 4 per cent to 5 per cent, which would have been the case under the existing provisions, and will, at least, allow the basic loan provision to increase in line with the post-secondary student population.

In addition to increasing the basic loan provision, the amendments will make permanent the increase in the supplementary loan provision which has been implemented for the current loan year. The supplementary loan provision will accordingly, from this year on, be established at an amount equal to 30 per cent of the basic loan provision for a given year. This will provide greater flexibility in meeting the requirements of provinces which, for one reason or another, have relatively higher student loan requirements than others.

At the time the Canada Student Loans Act was implemented, virtually all students attending post-secondary institutions did so on the familiar "academic year" basis; that is, a fall and winter term followed by a relatively long summer vacation. Accordingly, the terms and conditions under which individual students could obtain loans were all related to the academic year, so defined as a program of full-time studies of not less than 26 consecutive weeks in duration. The past five years have seen a considerable growth in a new form of study program, the trimester or semester system, in which a student completes a study program which is broken into a number of distinct semesters, generally three or four in a year, and to which the traditional concept of the academic year is not applicable.

While the students were not excluded from the benefits of the Canada Students Loan Plan, a number of complications and problems were encountered by many students. Amendments are contained in this bill which will explicitly include students studying on the trimester system as well as those who study on the academic year basis. Thus the full benefit of this program will be made available to a group of post-secondary students whom it was clearly designed to assist.

Provision is made in the amendments to the Canada Student Loans Act to enable trust companies, insurance companies, and mortgage loan companies to apply to the Minister of Finance for designation as eligible lenders under the plan. Lenders presently operating under the plan are all chartered banks and certain credit unions who have applied for, and received, designation as eligible lenders. This amendment will broaden the classes of lending institutions to which students can turn for loans, and will parallel changes made in the recent past in other guaranteed loan programs operated by the Minister of Finance, namely, the Farm Improvement Loans Act and the Fisheries Improvement Loans Act, and those which are proposed in another bill amending the Small Businesses Loans Act, currently being considered by honourable senators.

I should like to interject at this point that there is one notable omission from the list of institutions designated as eligible lenders. I refer to the omission of the treasury branches of the Province of Alberta. There is no question but that these institutions are financial institutions. In fact, they are the only banks operating in many communities. I would suggest that the treasury branches might well be included in future amending legislation, otherwise westerners may feel that this is just another case of discrimination against the west.

I would like to comment on one last amendment contained in this bill. The existing provisions of the Canada Student Loans Act provide that students are eligible for loans if they are, among other things, Canadian citizens, or are non-Canadians but have lived in Canada for one year and have indicated that they intend to make their home in Canada upon completion of their studies.

The proposal in the bill currently being considered is to require that persons who are non-Canadians have landed immigrants status, and have resided in Canada for one year. The effect of this amendment is simply to clarify the language presently in the legislation, since it is a condition of obtaining landed immigrant status that new Canadians declare their intentions to reside permanently in Canada. The amendment will therefore in no way restrict the availability of student loans to new Canadians.

There are a few other amendments in the bill, but I do not wish to take up the time of honourable senators in describing them. The amendments to which I have not referred are minor, and are either consequential on one

or more of the amendments I have already discussed, or are of a very minor administrative nature.

I may say that if this bill receives second reading I propose to refer it to the Standing Senate Committee on Banking, Trade and Commerce for detailed examination. I suggest that committee, but I am not sure that it is the right one. It may be that it should go to the Standing Senate Committee on National Finance, but my judgment is that it should be the former committee.

I wish to take a few minutes to discuss one aspect of the Canada Student Loans Act which the Government does not propose to alter at this time. This relates to the maximum loans which a student may borrow in any one year and in total. It is proposed to leave these at $1,000 per academic year subject to an overall ceiling of $5,000. The Canada Student Loans Plan was established as a broad general measure in the student aid field. As such it can never meet all the needs of all students in Canada. It was, and continues to be, intended to supplement the resources available to students from their families as well as from provincial or private sources of student aid. A reflection of this fact is that the maximum individual loan amount did not, even in the first year of the plan's operation, meet the entire average cost of a student's attendance at a post-secondary institution. While it is true that the costs of education have increased since 1964, so also is it true, as I indicated earlier, that the amounts of provincial student aid made available have increased dramatically over this period, which has acted as an offset to rising costs.

The maximum loan amounts were carefully chosen in 1964, with special consideration being given to the amount which a student could reasonably be expected to repay upon graduation. The Government continues to feel that $5,000 is a realistic figure when viewed in this context. It has been suggested that the $5,000 maximum be retained, but that the $1,000 maximum per year be increased. I believe, however, that it would be neither consistent nor logical to increase the one maximum without also correspondingly adjusting the other.

Again may I interject that the situation is developing today where students are getting married during their university career. Both husband and wife have student loans and find themselves in the position on graduation with not a $5,000 loan to repay but $10,000. This is a substantial amount of money for a young couple starting out in their married life. The ceiling at the present time is as reasonable as it is possible for it to be. It might have to go up later, but after all if students decide to get married while in university that is their decision and they should abide by the consequences.

It is my understanding that the provinces are currently undertaking an intensive and co-ordinated review of the whole field of student aid. The federal Government has in the past indicated that it would be pleased to participate in any such evaluation at the invitation of the provinces. In the present circumstances it would not be appropriate that any basic change be incorporated into the Canada Student Loans Act.

It has long been an educational cliché that any able Canadian student would not be denied an education only because he could not afford it. The growth in student aid generally, including the Canada Student Loans Plan, has in the past five years, I believe, made this cliché a much more realistic statement of actual conditions.

I would like to say in closing that the Government believes that the Canada Student Loans Act has an increasingly useful purpose in aiding tens of thousands of young Canadians to further their education beyond the secondary school level so as to be better able to take advantage of the magnificent opportunities which Canada today offers its young people and to make a greater contribution to Canadian society which ultimately is of benefit to all Canadians. It is the hope of the Government that the amendments being considered at the present time will enable the Canada Student Loans Act to more effectively achieve these goals. I am confident that when these amendments are incorporated this will be the case.

In conclusion and to recapitulate, there are six main amendments for the year 1970 to 1971, the first of which is to increase the basic allocation from $100 million to $115 million. Secondly, to make provision to change the basis of annual escalation from that of the increase in the 18-to-24 year group to the percentage total increase in total post-secondary enrolment in the loan years 1970, 1971 and subsequently. Thirdly, to increase the provision for the supplementary loan allocation from approximately 21 per cent to 30 per cent of the basic loan allocation. Fourthly, to officially extend the provisions of the act to take care of students taking their courses under semester or trimester system. Fifthly, to enable trust, insur-

ance and mortgage loan companies to apply to the minister for designation of eligibility as lenders. Sixthly, to require students who are non-Canadian to have landed immigrant status and to declare their intention to reside permanently in Canada.

The other amendments are consequential on these changes. I hope that these amendments will meet with your approval.

Hon. Josie D. Quart: Honourable senators, may I congratulate Senator Cameron for his excellent explanation of the bill. I assure him that I shall be very happy to support it. As I understand it, this amendment to the Canada Student Loans Act would further alleviate the financial burden involved in pursuing one's formal education beyond secondary school. With this I am basically in agreement. However, I must confess that I do tend to worry about these young people for whom we are making it so comparatively easy to further their education.

I worry for a number of reasons, the first of which is that the powers that be in the field of education seem, for the most part, to have lost their bearings. Education used to have one aim and one only—to teach, to impart maps of structure and of process, to instil the experience of the past. Its purpose was neither to experiment with adolescent minds for the benefit of career-building theorists, nor to replace their parents as the major formative factor in their character development, nor to keep them strait-jacketed in artificial prolongations of their childhood for the financial good of labour unions, professional pressure groups, "the economy" as a whole, or self-seeking academic mandarins. Therefore, it was at least able to set standards, to weed out the unintelligent and indolent, and sometimes to encourage the creative and inspired. It was not perfect. Indeed, sometimes it was cruel and often it was unfair. But its imperfection, cruelty and unfairness at least leaned toward intelligence rather than stupidity. Besides, it neither pretended to be that which it was not, nor to accomplish that of which it was incapable.

I worry also when I ponder the influence of higher education on our society. There is impressive evidence that our universities are focal points of decadence.

A study of the generation gap made for C.B.S. television early in 1969 searched the attitudes of parents, college youth and non-college youth towards traditional American values. It found fair correlation between the attitudes of parents and non-college youth, but a marked rejection of parental values by college youth.

The general message of the survey was that our youth are being drawn away from the traditional values of their parents and that the divergence is most marked among university students. This general condition is subject to varied interpretations. It seems clear, however, that the traditional explanation of "wild oats" is inadequate. There is more afoot.

Separation from the home environment and the new obligation to think for one's self make the college student very sensitive to campus influence. He may become an indolent boor going from one picket line to the next, or he may be inspired to high achievement.

It is the clear obligation of our universities to teach respect for truth, to demonstrate in practice such respect for the truth and to maintain a climate which promotes respect for truth. This commitment to truth has been the hallmark of our civilization.

Truth does not change from generation to generation. It is the sinew which gives continuity and meaning to human existence. Man can live without it, but only wretchedly. Its greatest achievement is in the moral sphere, although its most famous achievement is in the physical sphere. In the physical sciences, the discipline of truth is immediate and drastic. Moral sanctions are as severe, but they are less apparent. A society in decay is not aware of its impending extinction.

Too many colleges and universities have forsaken the discipline of truth. They use it effectively in the physical sciences but banish it from behavioural studies to make place for the sophistries of permissive authorities and ideological zealots. Thus, the trustees and the president renounce responsible authority in the name of democracy. Amoral professors corrupt our youth in the name of academic freedom. A claim of open-mindedness is made to excuse the hiring of teachers whose minds are closed to truth. The university builds a climate hostile to truth and rampant with error.

The cost of education today is staggering. Colleges, universities, and technical schools, though heavily subsidized, for the most part operate with a deficit.

I find myself at present in agreement with the spirit of this bill which intends to make it financially possible for more young people to avail themselves of that advanced training which they will surely need if they are to

keep off the unemployment rolls. However, I would hasten to point out that large in scale and overwhelmingly important though it is, Canada's education need not be in the financial trouble in which it finds itself today.

There is a solution. Let us let the business community help with technical know-how, and actual financial support, but let us do it on a businesslike basis. Our institutions of higher learning are horribly inefficient and sadly lacking in organizational ability. With this the business world can surely help us.

Let us find out what it actually costs to run an institution of learning. Then let us set up a system of scholarships so designed that businessmen will be encouraged to participate. And let us see the schools themselves set up sound and accurate budgetary systems.

In closing, honourable senators, I would say that I am supporting this bill because, though I feel college and university campuses may presently be littered with professional protesters, some of whom believe in nothing but the politics of confrontation, these still represent only a small minority, vociferous though it may be.

I fear that it might be worse not to encourage the sober-minded, industrious, level-headed majority of our youth to pursue their education. By being too protective we will not be preparing them for the showdown which must inevitably come with the Utopian social engineers who presently seem to be having everything their own way.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: That is the second good speech you have made this week.

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

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, February 13, 1970

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, I am sure we are all now aware that the circumstances which caused our attendance here this morning have been resolved positively. The situation in British Columbia has cleared. As a result, it is not necessary to proceed with the emergency action contemplated by the Government.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report of the Department of Industry for the fiscal year ended March 31, 1969, pursuant to section 16 of the Department of Industry Act, chapter 3, Statutes of Canada, 1963.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, I move, seconded by the honourable Senator Martin, with leave of the house, and notwithstanding the provisions of Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday next, February 17, at 8 o'clock in the evening.

Hon. Paul Martin: In speaking to this motion, may I say that I had hoped we might proceed with the debate on the Constitutional committee this morning, but Senator Yuzyk has advised me that he cannot go on.

I have spoken with the Leader of the Opposition and to the Acting Leader of the Opposition and, as a result, we will carry on in the usual way. We will go on with the constitutional debate on Tuesday night. There will be another matter on the Order Paper about which I will be making a motion shortly. In addition, we have before us the public Criminal Code bill, introduced yesterday by Senator Macdonald.

A number of senators have indicated their intention to speak on the Expropriation bill, so ably introduced yesterday by Senator Urquhart. This is an important bill. Similarly, at least two senators have indicated that they wish to speak on the Student Loans Bill, introduced yesterday by Senator Cameron.

The Special Committee on Mass Media will sit three times on Tuesday and on Wednesday, and twice on Thursday. The Special Committee on Poverty will hold meetings in the morning of Tuesday and Thursday. The Committee on Foreign Affairs will meet at the usual time on Thursday. The program indicates that we have a heavy week ahead of us, particularly in the committees.

Motion agreed to.

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE—ORDER FOR RESUMING DEBATE STANDS

On the Order:

Resuming debate on the motion of Hon. Mr. Martin, that the Senate do unite with the House of Commons in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

Hon. Paul Yuzyk: Honourable senators, I ask that the order stand. With your indulgence, I will explain my position.

Honourable senators, the matter of the Constitution is very important and I have been giving it much thought. I was hopeful that I would be prepared to speak today; however, after working on my speech last evening, I found that there was still much to be done before my preparations are complete.

Normally, throughout my seven years in the Senate, very little if anything of what I have said has been reported in the English language or the French language press. So I am not concerned that my remarks will affect the press relations here. However, I should add that most of what I say here is fully reported in the ethnic press. Last Wednesday when the Canadian Ethnic Press Federation made its presentation to the Senate Mass Media Committee, we were informed that the circulation figures of the ethnic press in Canada ranged between 750,000 and one million, with a readership approaching three million. My speeches are generally reported throughout the entire ethnic press and many papers and magazines print them in full.

It is for this reason that I ask the indulgence of the Senate to allow this debate to stand. Moreover, I considered our meeting today as an emergency sitting. I am very

happy that the circumstances have changed and that we do not have to proceed with the contemplated emergency measures. However, I assure the Senate that I shall be prepared next week to present what I believe is a consensus of opinion of the ethnic groups which form 27 per cent, if not more, of the population of this country. For these reasons I ask for postponement of this debate.

Order stands.

The Senate adjourned until Tuesday, February 17, at 8 o'clock in the evening.

THE SENATE

Tuesday, February 17, 1970

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

Prayers.

CANADA-SWEDEN SUPPLEMENTARY INCOME TAX AGREEMENT ACT, 1969

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-156, to implement a Supplementary Income Tax Agreement between Canada and Sweden.

Bill read first time.

Hon. Paul Martin moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of Proceedings under the Canada Water Conservation Assistance Act for the fiscal year ended March 31, 1969, pursuant to section 8 of the said Act, chapter 21, Statutes of Canada, 1952-53.

Report of Operations under the Municipal Improvements Assistance Act for the year ended December 31, 1969, pursuant to section 11 of the said Act, chapter 183, R.S.C., 1952.

Lists of shareholders in the Banks incorporated under the Quebec Savings Banks Act, as at the end of the financial years ended in 1969, pursuant to section 101(1) of the said Act, chapter 93, Statutes of Canada, 1966-67.

Lists of shareholders in the Chartered Banks of Canada, as at the end of the financial years ended in 1969, pursuant to section 119(1) of the Bank Act, chapter 87, Statutes of Canada, 1966-67. (English text).

Copies of Press Release containing Notes for Remarks by the Prime Minister of Canada on the Problem of Inflation as seen by the Federal Government, to be delivered at the Federal-Provincial Conference, February 16 and 17, 1970.

Statutory Orders and Regulations published in the *Canada Gazette* Part II, of Wednesday, February 11, 1970, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

MASS MEDIA

ADDITION TO COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(h), moved:

That the name of the honourable Senator Kinnear be added to the list of senators serving on the Special Committee of the Senate on Mass Media.

Motion agreed to.

AGRICULTURE

GOVERNMENT PROGRAMS RE LAND UNDER CULTIVATION—INQUIRY ANSWERED

Hon. Hazen Argue inquired of the Government, pursuant to notice:

1. Have additional acres of land been brought under cultivation in Canada in 1968 in any of the provinces under programs where part of the cost is borne by the federal Government?
2. If so, what was the acreage involved in each program in each province?
3. Were any such programs in operation in 1969?
4. If so, where?
5. Are any such programs being considered for 1970?
6. If so, to what extent and where?
7. Has the federal Government, in light of the current agricultural surpluses, decided against entering into new programs to increase the number of acres used in agricultural production?

Hon. Paul Martin: Answered.

(*The answers follow*)

Insofar as the Department of Agriculture is concerned:

1. The Department of Agriculture does not have any cost-sharing or other programs for bringing additional land under cultivation.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.
5. No.
6. Answered by No. 5.
7. Answered by No. 1.

LAND EXPROPRIATION BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, February 12, the adjourned debate on the motion of Hon. Mr. Urquhart for the second reading of Bill C-136, respecting the Expropriation of Land.

Hon. Arthur M. Pearson: Honourable senators, first I wish to congratulate the mover of Bill C-136 for his excellent introduction of the bill. Had it not been for the fact that he is a keen lawyer we should probably not have understood the bill at all. It takes long practice in legal matters to be able to dissect each clause and its meaning, particularly in a bill such as this, which is of considerable length and somewhat involved.

The general purpose of the bill is to have all expropriations of property of private citizens for government use brought under one body responsible to Parliament, namely, the Department of Public Works. That department, however, will not interfere with interprovincial railways or the one or two private companies which, under special acts, exercise special expropriation powers.

Honourable senators, not being a lawyer I shall not attempt to give a critical explanation of the clauses of this bill but will deal with it only in a general way. The bill certainly "got the treatment" from our legal colleagues in the other place, and the other members of the committee of that house apparently were too bashful to say even a word. However, the committee brought forward a number of amendments, of which eight or nine were accepted by the other house. So the bill got quite a good going over in the other place.

Honourable senators, Bill C-136 is a second attempt by the present Government to bring forward a new act respecting expropriation and abandonment of land. It was originally introduced last May as Bill C-200. The present measure is to take the place of a former expropriation act which appears as chapter 106 of the Revised Statutes of 1952. The old act has not been changed since 1886. The new act will bring all expropriation proceedings under the Department of Public Works, excepting, as I said before, provincial railways and certain private companies.

There are really nine stages in the proposed act of expropriation before us today. I shall enumerate them.

First, the Minister shall give notice of intention and request the Attorney General to register this notice in the appropriate registration office.

Second, the owner of the land may, within 30 days after the notice appears in the *Canada Gazette,* put in writing an objection to the Minister.

Third, after the period of 30 days, the Minister shall, if he has received an objection from the owner or owners of the property to be expropriated, order a public hearing.

Fourth, the Minister shall then order the Attorney General to appoint a hearing officer.

Fifth, the hearing officer shall make a written report to the Minister, and in that report set out the maximum costs of the person or persons or the representative who made the objection.

Sixth, the Minister may confirm the notice of intention by requesting the Attorney General to register a confirmation.

Seventh, upon registration of the notice of confirmation, the Minister shall make an offer in writing to that person or those persons or their representative as to the amount of remuneration, and this offer of compensation shall be based on a written appraisal and shall be made without prejudice.

Now, honourable senators, with regard to this appraisal, the only reference I find in the bill to anyone with regard to the evaluating of this land is in clause 8, subclause 4, paragraph (c) where it states that the hearing officer shall:

> (c) make such inspection of the land as he deems necessary—

Thus, the hearing officer must necessarily be a man of experience.

So, honourable senators, the government through the hearing officer appraises the property and makes a ruling as to the market value. If the appraiser is biased or is a man who does not care for people who he thinks are speculating in property, then he may value the property at less than its worth. In other words, it may go down in value.

Honourable senators, I feel that this clause, dealing with the appointment of the hearing officer who may act as an appraiser, is the crux of the whole bill. My opinion is that there should be an official appraiser named in each province. He could be a practising lawyer or a real estate operator. Such a person should be trained in appraisal work,

and have passed written and oral examinations at a university of the province in which he is located, or have been examined by some other appropriate body. He should be on call whenever needed in that province. I believe this would avoid the possibility of a hearing officer being an unqualified person or merely a patronage appointment.

Eighth, the value of the property shall be the market value. If the owner or owners cannot agree with the hearing officer, a negotiator shall be appointed. I personally do not see much advantage in having a negotiator, because after the hearing officer has heard the case it seems to me that the owner will have made up his mind as to what he wants for the property. So, it becomes a matter for litigation, and this bill provides that all cases shall go to the Exchequer Court. My thinking is that any superior court would be qualified and, indeed, would be better qualified than the Exchequer Court, because such courts are set up in all the provinces now and are closer to and are more knowledgeable of local values and conditions.

The ninth and final stage is that before the owner elects to go to court, he is faced with a decision. If he wins his case, his costs are allowed by the Crown. On the other hand, if he loses then it is up to the presiding judge to assess the costs. If he has to travel all the way to Ottawa to appear before the Exchequer Court, these costs may be too high for him to pay. Again, honourable senators, this is a case where to the rich go the rewards and to the poor the crumbs. This then is the deterrent, and the little man will usually have to take what is offered.

I have had a number of battles with expropriation bodies, particularly with provincial and municipal bodies responsible for highways or roads. Take the case of No. 20 Highway which runs along the Valley of the Qu'Appelle for about 12 to 14 miles. A lake prevents it following the valley farther. In the old horse-and-buggy days the road left the valley and followed a winding coulee, on each side of which was considerable bush. At the bottom was a small park used by fishermen who came there by the hundreds to camp under the shade of the large maples. These trees, the engineers said, would have to be cleared so that cars coming down or going up through the coulee could see other cars approaching. I begged them not to take this route, but to take a longer run, a half mile in length, along the face of the 250-foot hill, which could have been done with a very easy grade. However, one day when I was away on business, the bush was cut, and the grade up the coulee was on its way. But now, honourable senators, after 35 years, the highway department has changed its mind and has placed the new highway where I said it should have gone in the first place.

I can cite the case of the Trans-Canada Highway between Winnipeg and Portage la Prairie where the location has, at great expense and annoyance, been changed three times. There is also the new four-lane divided highway between Regina and Saskatoon, which was planned initially to more or less follow the C.N.R. It is now being cut right and left across farms and around towns, all in the name of speed and supposed safety. The land acquired from the farms leaves small fields and narrow angles all along the way. These make great obstacles to farmers, especially with the large machinery that they have today. It is time that engineers and the Government wakened up and used some common sense in the laying out of highways.

We face tremendous problems in our urban areas. City streets were laid out in the horse-and-buggy days, but now everyone has a car, or is about to get one, and is anxious to get from here to there as quickly as possible so that he can sit longer somewhere else, or stay in bed until a quarter to nine in the morning instead of rising at 6 or 7 o'clock as he had to do when he used the street cars.

As time goes on, we are going to see a great deal of expropriation. This measure will help, but it is too restrictive. It has been drawn up by backroom lawyers, not by people with practical experience. However, I am going to support it, but I hope some amendments will be proposed before too long.

Hon. Mr. Phillips (Rigaud): Honourable senators, I move that this debate be adjourned until the next sitting of the Senate.

Hon. Mr. Grosart: Honourable senators, before the adjournment question is put, may I direct a question to the honourable sponsor of the bill, Senator Urquhart. I should like to ask if all the Crown corporations described in the Financial Administration Act come under the provisions of this bill, or, to put the question in another way, are there any Crown corporations which have the power of expropriation—other than the corporations and the Canadian National Railways, mentioned by the sponsor—which are not covered by this bill.

Hon. Earl W. Urquhart: Honourable senators, this bill, as I pointed out when I

explained it, will apply to all federal departments of Government, and to expropriations by the Canadian Broadcasting Corporation, the National Capital Commission, the National Harbours Board, and the St. Lawrence Seaway Authority. It will not apply to the Canadian National Railways or to the Canadian Pacific Railway. Those will be dealt with later, as the Minister of Justice has indicated in the House of Commons. The bill also does not apply to private companies such as pipeline companies, who have special powers of expropriation under their special acts which gave them expropriation authority in the first instance.

Hon. Mr. Grosart: My question related to other Crown corporations such as Central Mortgage and Housing Corporation, Eldorado Nuclear Limited, Polymer Corporation Limited, the National Gallery of Canada, etc. I do not know whether they have powers of expropriation, but perhaps the honourable sponsor of the bill will take my question as notice and answer when he closes the debate.

Hon. Mr. Urquhart: If my honourable friend would look at Schedule B at page 42 of the bill, he will see the corporations enumerated there. It includes those I listed a few moments ago.

Hon. Mr. Grosart: Do any of the corporations not included in the schedule have expropriation powers?

Hon. Mr. Urquhart: I think they do. I have not examined all the other acts and I do not know if they all have special powers, but I imagine they have. I am pointing out that this bill relates to those specific Crown corporations which I have enumerated. I mentioned that it did not apply to the Canadian National Railways or the Canadian Pacific Railway. I will have to check further as to the others to which you refer.

Hon. Mr. Grosart: I read the honourable senator's speech and Schedule B. My question is, do Crown corporations other than those in the bill have the power of expropriation? Perhaps the honourable senator will inquire and answer later.

On motion of Hon. Mr. Phillips (Rigaud), debate adjourned.

CONSTITUTION OF CANADA

PROPOSED JOINT COMMITTEE

The Senate resumed from Friday, February 13, the debate on the motion of Hon. Mr. Martin, that the Senate do unite with the House of Commons in the formation of a joint committee of both houses to examine and report upon proposals on a number of subjects related to the Constitution of Canada.

Hon. Paul Yuzyk: Honourable senators, the debate in the Senate on the proposed special joint committee of both houses to study and report upon recent and future proposals related to the Constitution of Canada is drawing to a close.

In general, the senators who participated in this debate gave wholehearted approval to the establishment of such a committee. There were several suggestions to improve the regional representation of its membership and to include at least one woman, who could represent the interests of approximately half of the population. There can be no doubt that if these suggestions were implemented, the Senate section of this committee would play a more effective role in the review of our Constitution.

The three federal-provincial conferences dealing with the Constitution have made some progress in this direction, however less than what the public had expected. It became evident that if a global revision was to be achieved there would have to be a more extensive involvement of the whole country. Hitherto, it was the federal and provincial governments which had taken the initiative and set the machinery in motion. From the higher level these discussions and proposals must necessarily come down to the Parliament and the people, who must approve the final decisions.

Under our democratic system, in the final analysis, it is the citizens who must decide the matter of the Constitution. The more they take part in the discussions, the more meaningful will the Constitution be to them. Consequently, I am of the opinion that a joint parliamentary committee that will hold hearings accessible to all people and groups of people in various parts of Canada is preferable to a royal commission. I believe that members of a parliamentary committee, after the completion of the task, would be more responsible in defending important recommendations in Parliament and in watching that these will be properly carried out and maintained. A parliamentary committee acts more swiftly and is much less expensive than a royal commission.

A glance at our history will reveal that since Canada came under British rule, the

British Parliament enacted four different constitutions for this country. The Quebec Act of 1774, which as a counter-action to the American Revolution guaranteed definite rights to French Canadians, lasted 17 years and was replaced by the Constitutional Act of 1791, which divided the country into Upper and Lower Canada with separate administrations. Then 49 years later, in 1840, the Act of Union was passed shortly after the unsuccessful William Lyon Mackenzie and Papineau Rebellions; this act united the two Canadas under a unitary form of government. Subsequently, 27 years later, in 1867, due partially to threats from groups in the United States, the British Parliament passed the British North America Act, providing Canada with a federal system of government based on democratic rights of the people. Known as the Canadian Confederation, it united other former British colonies and provided for the establishment of new provinces.

The British North America Act, which has been our Constitution for 103 years, has undergone many changes, for during this period there have been at least 30 constitutional amendments giving us full control over all our own affairs—hence independence and sovereignty. It should be noted that Canadians won their freedom, independence and sovereignty, not through revolution, although abortive rebellions took place in 1837, but through the process of evolution. We are among the several large countries of the world with a federal system, and these countries enjoy the highest standard of living in the world. The Soviet Union, a federal state, is the exception, but it should be noted that it operates under a totalitarian form of government.

We must not forget that most countries, such as France, the United States, the U.S.S.R. and many others, created their constitutions dramatically in the wake of revolutions with bloodshed. We must bear in mind that Canada, however, inherited the British tradition, and our Constitution, the British North America Act, came as a result of long and arduous discussions over a period of three years by Canadian parliamentarians, the founding fathers, who were not under any kind of threat of internal violence or coercion from Britain or the United States. Firm negotiation and reasonable compromise were the methods employed to draw up the Constitution and bring about the subsequent amendments, always in times of peace. This is essentially our way of life.

Yet it must be remembered that the British North America Act is in fact a colonial statute, passed by the British Parliament in London over a hundred years ago. There is no doubt that it is out of tune with modern times. The situation in our country has drastically changed, for in the hundred years we have evolved from a preponderantly stable agricultural society to a vast industrialized, technological, urbanized and affluent society active in world affairs, and as a result our needs have greatly changed. Even if some of the provisions require little or no change, it is obvious that new provisions are required to meet new needs, and a general overall revision to improve the document is necessary.

It was the preparations for and the celebration of the Canadian Centennial which stimulated a general public interest in the Constitution. At the same time increasing difficulties arose between the federal Government and the provincial governments regarding powers of jurisdiction with respect to new problems of the new society that had emerged. The "quiet revolution" of the early 1960s in Quebec drew attention to the problems of Quebec, particularly to the place of the French province and the French Canadians in Confederation, and to its powers and jurisdiction and their rights as stipulated in the Constitution, all of which stirred up lively discussions and a great debate in all regions of Canada. The questions of national unity, the Canadian identity and the very survival of Canada became great political issues which were fought out by all parties in the general as well as provincial elections in the 1960s. It thus became apparent to Canadian leaders and to the people that the Constitution must be not only examined and revised but also redrafted. There are increasing demands for a new Constitution made in Canada by Canadians for Canadians.

There are several courses of action that can be taken to adopt a new Constitution, if that is what Canadians want. The method that has been recently applied and is still in progress is the holding of federal-provincial conferences. It has been a useful method to initiate the process of constitutional revision, which has had the support of all political parties. These conferences have been instrumental in helping to clarify the great issues regarding constitutional matters.

In his introduction of the motion to appoint the joint committee, the Government Leader in the Senate, the Honourable Paul Martin,

our distinguished colleague with an enviable record of public service, who participated in all these conferences, outlined these issues:

> Official languages, fundamental rights, distribution of powers, reform of institutions linked with federalism, among which the Senate and the Supreme Court of Canada, regional disparities, amending procedure and provisional arrangements, and finally the mechanisms of federal-provincial relations.

There was agreement that "the national capital should symbolize the two main cultural groups of Canada". Emanating from these conferences were also:

> The proposal as to whether or not there should be entrenched in the Constitution a bill of rights covering civil liberties; whether or not there should be a redistribution of powers in the British North America Act, a reallocation of the functions under sections 91 and 92, taking into consideration some of the problems of the urban community; whether or not changes have to be made in the Constitution to enable the federal Government to deal more directly with matters that now come under the exclusive authority of the provinces or the municipalities.

Although it had not been a subject of discussion at these conferences, Senator Martin also raised the important question of the repatriation of the Constitution. There is the question of the place and role of the monarchy. And, of course, there are others.

It is apparent that these federal-provincial conferences on the Constitution have reached their limit. They have already bogged down in stalemate without achieving a consensus of opinion on important matters in the last public sessions and have resorted to in-camera meetings, which are highly questionable and cannot satisfy the democratic citizens of our country. Furthermore, it is very questionable whether eleven prime ministers and premiers should be making these vital decisions alone, for the problem was posed as to who really spoke on behalf of the Canadian people—the Prime Minister of Canada or the first ministers of the provinces.

What other methods could be employed to adopt a new Constitution? One could be the referendum. The Government could present to the Canadian citizens a draft Constitution for their approval or rejection. This could probably be done but with great difficulty. Canada is a vast country with communication problems which must be handled in two languages. And the task of explaining to the common people complicated clauses of legal significance which lawyers and law professors could argue about would be a colossal undertaking, almost insurmountable. Hence the referendum on the Constitution seems not to be practical.

Canadians could try the method of the constituent assembly or the constitutional convention as has been carried out in France, the United States and other countries. The Government or a special committee could present a draft of the new Constitution to such an assembly composed of especially elected representatives of the people, and members of the federal Parliament and the provincial legislatures. This appears to be an elaborate process with which we have had no experience in Canada, but it could be taken into consideration.

Because of historical circumstances and our adherence to the evolutionary principle and British parliamentary tradition, Canada will in all probability seek constitutional revision by submitting a joint petition or address of the Senate and the House of Commons, the Canadian Parliament, to the British Parliament, which from all indications will probably give its approval in order to dispose of the embarrassing relationship and predicament. This is probably the only way to solve the problem of the repatriation of the Constitution and may have to be applied to the adoption of a new Constitution.

The present proposed method of a joint parliamentary committee on the Constitution has come to us because this is the next best alternative to the federal-provincial conferences, which could not make any further progress. Under the present circumstances I think that this is the best method. Since this committee will be authorized to go to the public to examine carefully various submitted proposals on the Constitution and will finally present its recommendations to Parliament in an unbiased, objective manner, it will engage both parliamentarians and the people, young and old, throughout Canada in a great national debate in conference halls, in educational institutions, in organizations, in the press, radio and television, in the legislatures and in Parliament. This will be participatory democracy and a massive effort to help create a just society. I believe that Canadian citizens will welcome this involvement in the making of a new Constitution and a new Canada in a new age.

[Hon. Mr. Yuzyk.]

A viable Canadian Constitution must reflect the paramount interests of the Canadian people. Our population is heterogeneous. In the process of constitutional review it will be necessary to take into consideration the Canadian identity, the image of Canada.

Over 100 years ago, the Fathers of Confederation thought mainly in terms of English-French relations, although there was the Indian problem. Today our national, provincial and local leaders must think in much broader terms.

During the past century a new element and a new force has been gradually emerging and increasingly making an impact upon Canadian society. It has been a consistent policy of Canadian Governments since Confederation in 1867 to encourage and even to subsidize immigration and settlement in order to develop our vast and rich natural resources as well as the economy. As a result, many peoples from many lands, but preponderantly from Europe, have come to this country and acquired citizenship. For several generations this non-British, non-French element has been steadily increasing in numbers and in proportion. These "other" or so-called "new" Canadians in reference to the British and French elements are sometimes termed as the third element, the third group, the third dimension, the third force, or simply as the ethnic groups. Whatever the name, these Canadians are a fact of Canadian society and life, just as the British and the French.

For the purpose of clarification, it should be pointed out that the application of the term "ethnic" in the Canadian press is often confusing and erratic. The Dominion Bureau of Statistics states: "Canada's population is made up of many cultural or ethnic groups, the largest being the British Isles and French groups." The 1961 census-takers were instructed to trace a person's ethnic group through his father in answer to the question: "To what ethnic or cultural group did you or your ancestors (on the male side) belong on coming to this continent?" In the census tables showing the ethnic composition of the Canadian population, the British element includes the English, Scottish, Irish and Welsh. Consequently, it is improper and misleading to refer to the non-British, non-French element solely as ethnic, when this term in reality applies to all origins in Canada.

The first Canadian census, conducted in 1871 in the four provinces of Ontario, Quebec, Nova Scotia and New Brunswick, recorded 3,485,761 people. The British numbered over 2,100,000 (English 706,000; Irish 846,000; Scots 546,000). I do not have a figure for the Welsh. The French numbered 1,100,000 and the others 285,000 (about 8 per cent of the population), of whom over 200,000 were of German extraction and the remainder included the Dutch (29,000), Negroes (21,000), Swiss, Italians, Indians, etc.

Shortly after the entry of Manitoba into Confederation in 1870 came the massive settlement of the west. Every year the frontier receded as successive immigrant waves brought in, along with the British and Americans, also increasing numbers of new ethnic groups, anxious to till the soil and live a life of freedom. In the 1870s came the German-speaking Mennonites from the Ukrainian territories of Russia, and the Icelanders; in the 1880s the Jews from Russian Ukraine and the Germans from Germany; and in the early 1890s the Ukrainians and Poles from Austria-Hungary. The large-scale Government-directed and partially subsidized settlement of the prairies initiated in 1896 by Sir Clifford Sifton of Manitoba, Minister of the Interior in the Government of Sir Wilfrid Laurier, brought into Canada an increasing influx of settlers of many other origins, such as Hungarians, Dutch, Norwegians, Swedes, Russian Doukhobors, Czechs, Slovaks, Rumanians, Finns, Serbs, Croatians, Italians, Japanese and many others. The rapid increase of the population in the Northwest Territories justified the establishment in 1905 of two new provinces—Saskatchewan and Alberta.

The First World War cut off the widening stream of immigration in 1914. The flow of settlers was again resumed in the 1920s, but came to a halt in 1930 when the Great Depression had set in. After the Second World War the Government again opened the doors of immigration, which brought in more people from Germany, Italy, the Netherlands, Denmark, Portugal and the Scandinavian and Balkan countries. The Iron Curtain prevented the flow of immigrants from the Slavic, Baltic and East European countries, except those who had come from the displaced persons' camps immediately after the war.

With this great influx of many peoples from many lands the face of the Canadian population has undergone a tremendous change when compared with a hundred years ago.

Honourable senators, I have had a graph showing the Canadian population trends by percentages distributed to all members of the

Chamber. I would like to have it incorporated into the record so that I will not have to read the figures. I would also like, with the approval of the Senate, to have the chart attached to the graph included in the record, probably by way of an appendix.

The Hon. the Speaker: Do I understand that this document has been distributed among honourable senators?

Hon. Mr. Yuzyk: That is right.

The Hon. the Speaker: Is it agreed that this document form part of the record?

Hon. Mr. Flynn: Insert it at this point in the speech.

Hon. Mr. Yuzyk: If possible, I would like it to appear as part of the speech.

The Hon. the Speaker: Do honourable senators have any objection to this information appearing as an appendix to today's proceedings?

Hon. Mr. Croll: No. It is difficult to put in a graph in that form.

Hon. Mr. Yuzyk: Probably the chart could go in.

Hon. Mr. Croll: Put the text of it in the record.

Hon. Mr. Yuzyk: Subject to technical problems, I would like to include the text. If it is possible to put the graph and the map in as an appendix, I will be quite content.

Hon. Mr. Flynn: It is a technical problem that we should leave to the printer.

The Hon. the Speaker: Agreed.

Hon. Mr. Hollett: I would like to ask the honourable Senator Yuzyk where these figures originated.

Hon. Mr. Yuzyk: These are all Dominion Bureau of Statistics figures.

Hon. Mr. Hollett: Do you mean to tell me that the English, Irish and Scottish are different ethnic groups?

Hon. Mr. Yuzyk: I quote from D.B.S.

Hon. Mr. Hollett: Are there any different ethnic groups in the French? You have 5,540,000 French. Are there any different groups among the French?

Hon. Mr. Bourget: They are all united.

[Hon. Mr. Yuzyk.]

Hon. Mr. Hollett: I do not agree with these figures at all. I do not believe they are accurate. Whoever made them up, I do not believe them. Here you show English 4,195,000 and French 5,540,000.

Hon. Mr. Yuzyk: If I might reply to the honourable senator, I think these are all official statistics.

Hon. Mr. Hollett: The figures are misleading and I object very much to putting them in *Hansard*.

Hon. Mr. Yuzyk: I think my honourable friend should make his objection to the Dominion Bureau of Statistics.

The Hon. the Speaker: Honourable senators, to clarify the situation, the honourable Senator Yuzyk has produced certain documents containing statistical information, and has asked leave to incorporate them in the record. I understand that an objection has been raised by the honourable Senator Hollett; and now the honourable Senator Thompson wishes to speak.

Hon. Mr. Thompson: I would like to get an explanation from the honourable senator.

Hon. Mr. Flynn: On a point of order, the question is as to whether this should be printed at this point in the speech of the honourable senator. If anyone disagrees, it is a matter of debate as to whether he has leave to have it printed.

The Hon. the Speaker: I have already indicated that the request was agreed to. The honourable Senator Hollett then rose and questioned the figures, and says that he does not agree that the documents should be printed.

Hon. Mr. Hollett: Exactly, Mr. Speaker. I said "no" when you put the question.

Hon. Mr. Flynn: But if honourable Senator Hollett wants to listen—

Hon. Mr. Hollett: I have been listening.

Hon. Mr. Flynn: —to Senator Yuzyk reading, it would cover the same point. You can disagree with what he says, but that is not the problem. It is whether it can be printed in the body of his speech or in another place in *Hansard*.

Hon. Mr. Hollett: I disagree.

Hon. Mr. Flynn: It is a question whether we disagree as to the printing.

The Hon. the Speaker: I understand that honourable Senator Thompson has a question. If there is not unanimous consent, the question might be resolved by the honourable Senator Yuzyk reading the document.

Hon. Mr. Flynn: It would hurt Senator Hollett's convictions just that much more if he had to listen to that on top of what has already been said.

The Hon. the Speaker: At any rate, I will give the floor to the honourable Senator Thompson before making a ruling.

Hon. Mr. Thompson: I should simply like clarification, Mr. Speaker, concerning some of the statements in Senator Yuzyk's table of figures. Could the honourable senator explain further to us the distinction between Jewish and Judaic faiths?

Hon. Mr. Yuzyk: Do I understand that this document has been taken as read into the record, Mr. Speaker?

Hon. Mr. Flynn: It has been agreed that it be printed.

Hon. Mr. Yuzyk: I have not read out these figures. If that has been agreed, may I say that I put in "Judaic faith" and then "Jewish ethnic origin" here, because these figures were in the census. I subsequently learned that there are many more of the Judaic faith, and that is why I put these figures in. It is for clarification.

Hon. Mr. Thompson: Could you define "Jewish" for me? Does that refer to those who adhere to the Jewish faith, or is that a nationality?

Hon. Mr. Yuzyk: Those who classify themselves as of the Jewish faith classify themselves according to ethnic origin—Jewish. Others do not, but they do classify themselves under the classification of religious faiths. That is a problem I am quite aware of, which is even debated in the Jewish community, and I cannot settle the matter.

Hon. Mr. Thompson: For further clarification, are you saying that those of Judaic faith classify themselves as of Jewish faith?

Hon. Mr. McDonald: Jewish religion.

Hon. Mr. Thompson: Jewish religion or faith. The Jewish are people who classify themselves as Jewish. I do not see why you have a distinction between those two.

Hon. Mr. Flynn: You should ask the Dominion Bureau of Statistics that question.

Hon. Mr. Yuzyk: I took these figures because I was quite well aware that in Canada there were more than 173,000 people of Jewish origin, and some of those of Jewish origin did not classify themselves under this ethnic designation. That is why I put in Jewish faith.

Hon. Mr. Thompson: May I ask honourable Senator Yuzyk another question? Knowing his experience in connection with the classification of the Canadian population according to ethnic background, may I ask him if he would agree with me that after the war, or during the war, there seemed to be an increase of Austrians as distinct from Germans and that in some ways, depending on attitudes within the country and outside the country, such figures cannot be looked on as completely authentic.

Hon. Mr. Flynn: Everybody understands that.

Hon. Mr. Yuzyk: Not being a statistician, I cannot analyze these figures fully. I am merely submitting the figures as given by the Dominion Bureau of Statistics and you can interpret them any way you want.

The Hon. the Speaker: Honourable senators, in respect to Senator Yuzyk's request which did not meet with unanimous consent, I now read Rule 109:

> 109. The printing or publishing of anything relating to the proceedings of the Senate shall be as ordered by the Senate.

Senator Yuzyk's request met with a dissenting voice, but if he wishes to have these documents become part of the record, I should like him to make a formal motion.

Hon. Mr. Martin: Honourable senators, is this not the situation? Senator Yuzyk introduced certain figures from the Dominion Bureau of Statistics, together with a chart and a graph. Senator Hollett said he did not agree with those figures. However, I am sure that Senator Hollett does not deny that those figures come from the Dominion Bureau of Statistics as of approximately ten years ago. I did not understand that Senator Hollett objected to the inclusion of the graph and the figures, if it was technically possible to include them as an appendix to our record.

Hon. Mr. Flynn: That is correct.

Hon. Mr. Martin: With great respect, Mr. Speaker, I do not think Senator Hollett objected to the inclusion of those figures as part of the appendix. He simply affirmed, with characteristic vigour, that he did not agree with the figures. That is quite a different matter.

The Hon. the Speaker: If honourable Senator Hollett agrees with the Leader of the Government, then there is no problem. I should like to hear from Senator Hollett now.

Hon. Mr. Hollett: Well, there is a problem as far as I am concerned. When a member introduces in this Senate figures which are misleading and give rise to a misinterpretation of the make-up of our population, then I object very much to their being put into the record. Why divide the British into English, Irish and Scottish? Why not divide the French into Normans and all the rest?

Hon. Mr. Bourget: Oh, no.

Hon. Mr. Hollett: Why not? And then there are "others"—729,000 of them. Who are the others? Who are they? I suppose they are entitled to have their ethnic origins in here.

I object very much to this being put in, but of course you will override me and put them in. If that is your wish, then put them in.

Hon. Mr. McDonald: Agreed.

Hon. Senators: Agreed.

Hon. Mr. Bourget: On division.

(For text of chart, table and map see Appendix, pp. 568-70.)

The Hon. the Speaker: Honourable Senator Yuzyk.

Hon. Mr. Yuzyk: I shall now continue.

Even a casual examination of the statistics and the accompanying graph will reveal significant trends in our population. The British element during the past 60 years has steadily decreased, not in numbers but in proportion, from 57 per cent to 44 per cent.

Hon. Mr. Hollett: May I ask a question? Who are the British?

Hon. Mr. Yuzyk: I am taking this from the statistics of the Dominion Bureau of Statistics.

Hon. Mr. Hollett: Of ten years ago.

Hon. Mr. Yuzyk: Of 1961, right. That was the last census.

Hon. Mr. Hollett: Why not 1971?

[Hon. Mr. Flynn.]

Hon. Mr. Yuzyk: There will be a census this year and we will have the results of that next year. I can only rely on the figures that have been published by the Dominion Bureau of Statistics for the last census.

At any rate, the British element has decreased, as I said, from 57 per cent to 44 per cent. The French element has constantly held its own proportion, about 30 per cent. The ethnic groups of the third element, on the other hand, have steadily increased from 12 to over 26 per cent, numbering nearly 5 million people, more than doubling their element, which is quickly approaching the numerical proportional position of the French Canadians. If the trends of the past six decades continue, by 1981 the Canadian population will be roughly one-third British, one-third French and one-third all other ethnic groups. The rapidly increasing numbers of the third element ethnic groups are indicative of the emerging new factor in Canadian life.

For a cross-section of the Canadian population today one would have to look at the table labelled "Ethnic Composition". Here it will be noted that the French are the largest ethnic group in Canada, forming 30.4 per cent of the population, and considerably ahead of the English, who constitute 23 per cent, the Scottish 10.4 per cent and the Irish 9.6 per cent. The larger ethnic groups of the third element, with the exception of the Italians who have been arriving in large numbers only recently, are preponderantly Canadian-born, many through three or four generations. These settlers rapidly acquired Canadian citizenship and hence are Canadians in the full sense. They resent being referred to as "New Canadians" for they regard themselves fully and equally Canadian in the same way as do the British and French.

A look at the present ethnic composition of the ten provinces of Canada according to the three elements will reveal some interesting facts. The British element predominates in Newfoundland—Senator Hollett's province.

Hon. Mr. Hollett: English, Irish and Scots.

Hon. Mr. Yuzyk: And what about the Welsh?

Hon. Mr. Hollett: And the Welsh.

Hon. Mr. Yuzyk: Then there is Prince Edward Island, 80 per cent; Nova Scotia, 71 per cent; and New Brunswick, 55 per cent. The French element predominates only in Quebec with 81 per cent while the largest

French minority, 40 per cent, is in New Brunswick. The third element, 53 per cent, predominates in Saskatchewan, exceeding the British, 40 per cent, followed by the French, 7 per cent; in Alberta, 49 per cent, followed by the British, 45 per cent and the French, 6 per cent; in Manitoba the third element is 48 per cent, followed by the British, 43 per cent, and the French 9 per cent. It forms a considerable proportion in British Columbia, 35 per cent; in Ontario 39 per cent, and in Nova Scotia 17 per cent. In general, the third element, composed overwhelmingly of Canadian-born, forms about 50 per cent of the population of the three prairie provinces, where obviously their impact is the greatest.

An example of the many-sided contributions to Canada of one of the new ethnic groups is the half million Ukrainian Canadians who in 1966 celebrated the seventy-fifth anniversary of their settlement in Canada. Their outstanding contribution is in agriculture. In seven decades they have brought under cultivation approximately ten million acres of land on the prairies. By comparison this is twice as much as the French Canadians, who in over three centuries in Quebec cultivated some five million acres. Of course the terrain was different but I just wanted to compare them.

Ukrainian Canadians have been frequent winners of world and Canadian championships of wheat, oats and vegetables. Some of the best varieties of wheat are of Ukrainian origin. Over 130 Ukrainian place-names testify to their bringing of civilization to vast areas which were previously wilderness. Railroad construction, large building and housing construction, mining, various kinds of manufacturing, etc., have benefited from the labour, inventiveness and management of Ukrainians. They are found in large numbers in the teaching profession, law, medicine and engineering, including the universities. Their cultural contribution is generally recognized through folk-dancing in colourful costumes, choirs, music, embroidery, handicraft and woodwork, as well as by the fact that the Ukrainian language and literature is taught at several of the leading Canadian universities and as an elective subject in the secondary schools of Saskatchewan, Manitoba and Alberta. Ukrainian has now been introduced in the public schools in these provinces.

If participation in public affairs is an essential criterion of the genuine integration of any group into Canadian life, the Ukrainians certainly display evidence of full integration. They have produced several hundreds of reeves of municipalities, many aldermen of towns and cities and several mayors of large cities such as Winnipeg, Edmonton and Windsor, many magistrates, judges and hundreds of civil servants. It will interest you to hear in this chamber that the Ukrainian community has provided 69 members of provincial legislatures including 7 cabinet ministers in Saskatchewan, Manitoba, Alberta and Ontario, 19 federal Members of Parliament, including the Honourable Michael Starr, Minister of Labour from 1957 to 1963, and 3 senators, for a total of 91 parliamentarians. On February 2, this year, Dr. Stephen Worobetz was sworn in as the Lieutenant Governor of Saskatchewan, the first of Ukrainian origin to attain this high office.

About 10,000 Ukrainians served in the Canadian military forces during World War I, and about 40,000 during World War II, many as officers and many of whom paid the supreme sacrifice for this country. All these and other achievements, which I have elaborated in my recent book on the Ukrainian Canadians, are proof that they are builders of Canada and qualifying partners with the British and the French.

Other ethnic groups have made similar and various other contributions. The Canadian Citizenship Branch of the Department of the Secretary of State has done a very useful service to Canada by publishing *The Canadian Family Tree,* a handbook of information on all active ethnic groups, some 50 in number, focussing attention on their distinctive contributions. The Jews, Poles, Slovaks, Ukrainians, Lithuanians and others have published full-volume studies of their groups. This should be done by all ethnic groups and the information from such studies should be incorporated in the general histories of Canada. The recognition of the contributions of our ethnic groups in Canadian histories and history texts in schools and universities will help to increase understanding, break down the barriers of prejudice and promote appreciation and co-operation in the building of a better life and society in our country.

What is common to the ethnic groups of the third element is their intense loyalty to Canada, their belief in a strong and united Canadian nation based on a mutual partnership of all its component elements, their whole-hearted acceptance of the Canadian democratic institutions and way of life, and their desire to perpetuate their cultures as an integral part of the evolving cultural pattern of Canada. In general, they recognize the fact

that the founders of the Canadian Confederation were the British and the French and therefore English and French should be the official languages. That should be the only privilege that the British and the French are entitled to, otherwise all ethnic groups and all individuals should have equal rights in every respect; there must not be second-class citizenship, which can only spell trouble. Some regard the new element as a sort of cement that can serve to bind the two founding peoples.

There are many sceptics, not only in the British and French groups but also in the other ethnic groups, who believe that a united voice and action of the third element is impossible and even undesirable. Such people do not take into consideration that the organizations and spokesmen of the ethnic groups were given the opportunity to express their views to the Royal Commission on Bilingualism and Biculturalism in its hearings across the country. From the many reports that I have read I have come to the conclusion that there was fairly unanimous opinion that Canada should be bilingual in some form, that our country is not bicultural but in reality multicultural, that official recognition should be given to multiculturalism by permitting non-official languages and cultural subjects to be taught in the public and secondary schools and in the universities, wherever there were sufficient numbers to maintain such classes, that the Canadian Broadcasting Corporation should sponsor regular programs on the national radio and television networks, presenting the contributions of our ethnic groups which would promote better understanding of our cultural heritage, that ethnic groups should receive more representation in government bodies and national institutions and that they should not be discriminated against in federal, provincial and municipal governments and civil services.

In general, the ethnic groups have been practising co-operation since the annual meetings of the Canada Ethnic Press Federation in 1940, since when common policy has gradually evolved. In its presentation to the Senate Mass Media Committee last week, the Federation claimed a circulation between 750,000 and one million for the ethnic press, with a readership approaching three million. Further progress in the direction of the crystallization of common objectives was achieved in 1965 when the first national conference on Canadian Slavs was held in Banff, Alberta, attended by representatives of several Slavic groups which number over 1.1 million. Senator Cameron was a host at this conference.

Over 100 delegates heard 18 inter-disciplinary papers, which were later published in a separate volume. The conference established a permanent inter-university committee on Canadian Slavs which convened the second conference in June 1967 at the University of Ottawa during the Centennial celebrations. Over 200 representatives heard 74 papers on a variety of topics pertaining to Canadian Slavs and their role in Canada. These papers are to be published in the near future. This conference was a tremendous success and of historical significance. Harmony and co-operation was achieved, of course in the best interests of Canada. If we recall the history of the Slavs in Europe, we should note that in over 1,000 years of relations the Slavs had never succeeded in achieving harmony such as was evident in Canada. They have given full co-operation in the excellent work of the Canadian Folk Arts Council and the Canadian Citizenship Councils. Consequently, I believe that the magic of our great country can overcome ethnic prejudices and distrust, and achieve the unity of our diverse elements in building an ever greater and better Canada.

Present-day Canada is a pluralistic society, a country of numerous minorities with two dominant cultures. During the past 100 years she has been gradually evolving into a multicultural nation. The concept of a "bilingual, multicultural Canadian nation" is realistic and the very essence of a dynamic Canadianism. It is fortunate that Canadian governments have rejected the "melting pot" theory, with its colourless uniformity, and have promoted a "mosaic type" of Canadian culture, based on the voluntary integration of the best elements of the cultures of the component ethnic groups. The development of a composite Canadian culture, rich in variety, beauty and harmony, reflects the principle of "unity in continuing diversity" and the democratic spirit of compromise inherent in the Canadian Confederation. This was manifestly evident in the Centennial celebrations.

A great Canadian leader, who could foresee the shape of things to come, had the vision of a multicultural Canadian nation. Prime Minister Sir Wilfrid Laurier, a great architect of Canada, under whose administration the west was peopled by the various ethnic groups, some 70 years ago, left the following message

[Hon. Mr. Yuzyk.]

to future generations—and I think this should even be memorized by all Canadians:

> I have visited in England one of those models of Gothic architecture which the hand of genius, guided by an unerring faith, has moulded into a harmonious whole. This cathedral is made of marble, oak and granite. It is the image of the nation I would like to see Canada become. For here I want the marble to remain the marble; the granite to remain the granite; the oak to remain the oak; and out of all these elements I would build a nation great among the nations of the world.

A bilingual and multicultural Canadian nation, dedicated to the high principles of freedom and democracy, justice and truth, and equality and brotherhood, is not a Utopia, but is gradually becoming a reality. This is the all-inclusive Canadian identity, which is the broad basis for the development of a new Canada.

All Canadians are involved in the process of change. Life is becoming more and more complex, to which our citizens of necessity must adapt themselves. The only safeguard of individual and group rights is a sound and vigilant public opinion which can be implemented by conscientious leaders inspired by the highest ideals of democracy. Our leaders and citizens must be conscious of one important fact, that majorities, because of their dominant position in our society, usually do not feel the need for constitutional reform. The corollary is also true, that minorities, without status, without power and without effective voice, feel that their rights should be protected in the Constitution.

An excellent essay on human rights, published in "The Royal Bank of Canada Monthly Letter" of January 1968, refers to the rights of minorities in the following manner:

> What is needed in applying the rules of human rights is that in addition to the principle of majority rule there should be recognition by every group in society of the legitimacy of minority group interest, provided as Sidney Hook wrote in *The Hero in History*: "The group in question accepts the methods of free inquiry and democratic decision as principles of negotiating conflicts of interest".
>
> Majorities should be generous and gracious. They can spoil their goodness if, while admitting that it takes all sorts of people to make a world, they say it as though they find it a regrettable thing. On the other hand, minorities should beware lest insistence upon rights should become a hammer by which affection is beaten to death.
>
> The fundamental cause of group and class conflict is the attitude of superiority on the part of one group or class toward another. It is essential that minorities be encouraged to take part in the common life of the community, whatever customs and cultures they wish to preserve among themselves, and that they be welcomed warmly by the majority.

The Canadian ethnic groups of non-British, non-French origin are greatly concerned about many developments and recent Government statements and actions. They are rarely, if at all, consulted. Yet they feel that they are an integral part of society and should be consulted in matters in which their fate is involved. They want to see justice done in the proposed "just society" in which they do not want to be second-class citizens.

There is no doubt that in Canada we are now going through a crisis not only in English-French relations but in relations with other ethnic groups. We are witnessing a more militant attitude on the part of our Indians, who resent the paternalism of the establishment and desire control over their own affairs and a better deal as citizens. Various Canadian ethnic groups want a better share in all aspects of Canadian life, together with the responsibilities, and want to be regarded as partners in the building of a new and better Canada. Students and the youth are protesting against the Establishment and its association with the mechanization and automation of society which is becoming increasingly de-humanized; they want to be human beings and have a voice in the affairs that affect them directly.

In my speech to the Senate on October 1, 1968, I drew attention to the concern of the Canadian ethnic groups of the third element about constitutional changes proposed at the federal-provincial conferences, in which matters the Government made no attempt to consult them. Subsequently, on July 8, 1969, in the Senate debate on the Official Languages bill, to which I gave approval, I introduced an amendment to clause 38 to give status to the "non-official" languages used extensively in Canada. As honourable senators will recall, the amendment was rejected in the Standing Senate Committee on Legal and Constitutional Affairs and later in the Senate. The Government was not willing to

go further as it was waiting for the forthcoming report of the Royal Commission on Bilingualism and Biculturalism on the ethnic groups, which was supposed to have made its appearance in 1967 but which still has not been released. Senator Roebuck, the Chairman of the Legal and Constitutional Affairs Committee, made the following significant statement, which should be noted by all who are concerned:

> I would suggest to those people who speak languages other than one or both of the two "official languages" that it should be thoroughly understood that certain services are being extended to the French minority in English-speaking portions of Canada, and to the English minority in French-speaking districts, and that in consequence our friends who speak languages other than those described as official will have a very good case indeed for equal assistance from the Government officials.
>
> If in the future one, say of the Ukrainian population, should come to a Government Department with the request: "You are extending privileges to the French population, and we have at least as many Ukrainians in the locality as there are French," I can scarcely understand any government saying "no" to such a request for equal services. That applies not only to Ukrainians, Poles, Italians, but to many others.

In this debate I gave a report of the Thinkers' Conference on Cultural Rights which was held in Toronto in December 1968, the first of its kind in the history of Canada to bring together delegates of the various ethnic and cultural groups, including the Indians and Eskimos, from various parts of Canada on a voluntary basis. It had the support of a Senate committee of patrons and five national and government institutions and some financial assistance from the Secretary of State. Outstanding authorities and experts spoke on four general themes. One of the speakers was Senator Thompson. The four general themes were:

(1) Rights and responsibilities of cultural groups in Canadian life;

(2) Preservation of cultural traditions in Canada;

(3) Striking a balance in the Canadian cultural pattern; and

(4) Public policy and the preservation of multicultural traditions.

[Hon. Mr. Yuzyk.]

The full report of the proceedings of this conference has been published and sent to government and public leaders, and to public and university libraries. This was published with the aid of the Secretary of State.

Of the six resolutions which were unanimously adopted, I want to draw attention to the following:

> The conference supports the efforts of the federal and provincial governments in formulating a viable Canadian Constitution and the conference unequivocally rejects the concept of biculturalism and seeks official recognition of the multicultural character of Canada.

I would like to explain that multiculturalism includes biculturalism, a term which by itself tends to discriminate against all those of non-British and non-French ancestry.

This Thinkers' Conference established the Canadian Cultural Rights Committee, electing me as its chairman. I am happy that there has been a positive response from many government leaders. Prime Minister Trudeau's letter of February 4, 1969, stated:

> I am directing that these reports should be studied so that the views there presented may be appropriately taken into account both in the area of constitutional review and of cultural development.

It is also encouraging that the Government is beginning to respond to the needs of our pluralistic society. This can be gathered from the speech of the Honourable Robert Stanbury, Minister without Portfolio, responsible for Citizenship who at a banquet in Montreal on February 7 of this year stated:

> This commitment to Canada can only come about if every individual and every ethnic community are afforded the opportunity to live up to their potential. Our common objective and our shared ambition is to create a true mosaic in which each element will stand out while at the same time forming part of a harmonious whole... How can we make sure that the official status of languages is not taken to imply special status for any particular groups in our multicultural society?

This is one of the grave problems in our society. The establishment of an advisory council representative of the ethnic groups which would co-operate with the Government in cultural affairs would greatly assist in helping to overcome discrimination. The whole question of discrimination will have to

be studied by the parliamentary constitutional committee. We know that many groups of citizens are clamouring for rights, but the committee should also find a place in the Constitution for corresponding duties and responsibilities.

If this committee is to have the confidence of the Canadian public, it will have to be fairly representative of important segments of our population, of the regions and the political movements. The bulk of the members should be known for their broad interests and for their sense of fair play and justice. I hope that when the committee is chosen from both houses its membership will reflect the dynamic elements in our country.

When the committee goes into action I think that it should always keep in mind that Canadians are a large family with a variety of interests that at times lead to conflicts. If there is a spirit of goodwill, the differences and conflicts can be settled. The emphasis must be placed on what unites us and there must be an understanding of those who hold different views. Members of the committee will achieve the best results if they approach the problems of the Constitution with an open mind, and in the spirit of justice and toleration seek a consensus through reconciliation and compromise, which have been so fundamental in the development and progress of our country.

Hon. Paul Martin: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Government Leader speaks now his speech will have the effect of closing the debate.

Hon. Mr. Hollett: Honourable senators, I should like to direct a question to Senator Yuzyk. He spoke of discrimination in Canada, and I wonder if he can indicate to us some cases where discrimination has been proven against Canadians.

Hon. Mr. Yuzyk: Honourable senators, I do not think I would care to deal with the whole problem of discrimination at this time. I would be quite happy at some future date to speak on this whole topic. This requires much thought and explanation. I would prefer, in discussing the matter of discrimination, to prepare my arguments, whether they be for or against. I stated that we should guard against discrimination.

Hon. Mr. Hollett: Is there such a thing as discrimination in Canada?

Hon. Mr. Yuzyk: Yes, I would say that there is discrimination.

Hon. Mr. Hollett: Can you prove that?

Hon. Mr. Yuzyk: I myself have been discriminated against very much throughout my life.

Mr. Hollett: You are an individual.

Hon. Mr. Yuzyk: I think I can make out a case for groups too.

Hon. Mr. Martin: Honourable senators, we have heard a number of speeches on the proposal that there be a joint committee of the Senate and the House of Commons to consider a revision of the Constitution of our country. As Senator Yuzyk has just pointed out, within the last two years there have been three conferences of the federal and provincial governments on constitutional revision. It is important to recall the circumstances in which these constitutional discussions of recent date began.

They began primarily with a request addressed to the federal Government by a number of provinces of Canada, a request that was high-lighted at a conference called by the head of the Government of Ontario, the *Conference for Tomorrow*, where over the television and other news media there was a full and frank exchange of the divisions in the country, and of the concerns that exist because of the position taken by some sections of the nation. It was in pursuit of that request that the federal Government under Mr. Pearson called the provinces together a short time thereafter in the first constitutional conference in this series.

Senator Yuzyk said that these conferences had not been a great success. The fact is, as I said at the outset when I introduced this motion, that it would be wrong to argue that the conferences have not had a measure of achievement. There was a wide measure of tentative agreement reached in principle, if not in every detail, on the subject of spending power. There is no more complicated area of dispute in the Constitution than this. Agreement has also been reached on the principle of access to, rather than allocation of taxing powers. This represents an important consensus. A firm position in principle was reached on language rights. Agreement was reached in principle that the national capital should reflect the two predominant cultural groups in the country. Therefore, when we come to assess the work to date it should not be assumed that progress has not been achieved.

Senator Yuzyk said that the proposal for a joint committee was an arrangement that he would support. He thought it was a better instrument than a royal commission. We did have a royal commission which made a report in this very chamber at a federal-provincial conference bearing the names of two great Canadians, Sirois and Rowell. We have the benefit of the conclusions of that royal commission and these undoubtedly are conclusions which will be considered by the joint committee as they have played a part in the briefs presented by the various governments to one another.

This is not the first time that there has been a committee of Parliament. The committee under the chairmanship of Mr. Lapointe over 40 years ago served its purpose, even though it did not yield great results. It would be wrong to say, however, that because this committee is being set up we should conclude that the conferences of the two levels of government will not continue, or that they are not likely to succeed. The Government does not agree with that position but believes that the discussions between the two levels of government will be productive.

It took many months and a great deal of discussion to bring about the kind of agreement that made possible the passage of the British North America Act in the Parliament at Westminster. Long before those agreements were reached by the fathers of this country, there were frustrations and interminable discussions, but there was final agreement. I have no doubt that we will reach agreement in our constitutional discussions, difficult as they are, both in this committee and in the forum of those who have the executive authority given to them by the people to take the initiating act.

Of course Senator Yuzyk is right that it is not governments that are going to finalize the Constitution. The Constitution can only be finalized *ad referendum*. After the executives of the two levels of government, provincial and federal, have reached their positions, then it must be the Parliament of Canada and ultimately the people of Canada who give their approval and *imprimatur*. In the meantime there has to be a dialogue and debate which involves some of the most complicated issues. All one has to do is look at the problems that face governments in Canada today, the urban problem, that of environment and pollution, the responsibility for unemployment, the kind of social legislation that we must develop and the kind of fiscal and monetary policy that must be pursued by governments at a time of excessive prices. These are problems which for their orderly solution depend on the Constitution in the final analysis. These were problems not envisaged by the Fathers of Confederation, so I suppose it is not unnatural that the provinces should have asked the federal Government to call together a conference for the purpose of ironing out constitutional difficulties and bringing into being either a partially or totally revised constitution.

It does not mean that the Government of Canada and those of the provinces cannot go on until such time as agreement in these areas has been reached. This country, with its problems, will carry on. These problems will be dealt with by the various governments within the context of the present Constitution until agreement is reached.

I believe that the proposal to place this matter not only in the hands of the executive but in the hands of the members of Parliament of the two houses is at this time a good decision. I am glad that honourable senators have all expressed their concurrence in this view. There were in the course of the debate many things said, some relevant to the issue before us and some not having a bearing on the immediate proposition. It is for that reason that tonight I do not propose to deal at any length with what Senator Argue had to say about conditions in western Canada. However, I do not want him or any other senator from western Canada to conclude that the Government is not concerned about the problems of that region. The problems that arise out of the surplus of wheat understandably agitate the western farmer, but they also concern the rest of the people of Canada, who are greatly concerned about the economic consequences.

I do not agree with Senator Argue that the Government is doing nothing to meet that problem. At the appropriate moment I will be happy to indicate what the Government has done, even though this may not result in a final and satisfactory solution of the very difficult problem of wheat surplus. I do not agree either that the problem of western alienation, so-called, can be looked upon as a movement to break away from this country. My own view is that the separatist movement in any part of Canada will not succeed, because the majority of the people in all sections of Canada recognize that in our unity lies our strength. I am sure that Senator

Argue would be the first to agree with this in so far as it applies to that section of Canada from which he comes.

Others took the position that the debate afforded us an opportunity to examine some of the procedures upon which the Senate is now embarked.

Senator O'Leary, in a characteristically effective speech, said he thought the Senate's role of investigation is one that ought to be examined with care. I think anything Senator O'Leary suggests ought to be examined seriously, but I share the view expressed by Senator Cameron that the role of inquiry the Senate is assuming is a useful and a valuable role.

In passing, I want to say that I was rather impressed with the approval given the Special Committee of the Senate on Science Policy the other day by a United States Congressman, Charles A. Mosher, who was visiting in Ottawa. He referred to that committee of the Senate as "the most thorough study of any in the world."

I am also satisfied that the work of the Special Senate Committee on Poverty under Senator Croll, and the work of the Special Senate Committee on the Mass Media under the chairmanship of Senator Davey, is not a dangerous role for the Senate but a satisfactory role that it can perform, at a time when in the other place the opportunity in this very area is limited compared to what it was before the Government had to pre-empt to the extent that it does the time of that place in the presentation and implementation of its legislative program.

This proposed committee will have 30 members, 20 from the other place and 10 from this house, seven from this side of the house and three from the other side. It was rightly said that a committee of this sort might be more representative than its membership indicates. I can assure honourable senators that the greatest care was taken by those who assist me in these matters in the selection of the personnel from this side, and I am sure the same is true of the Leader of the Opposition and those associated with him who have to make these decisions. We on this side had seven members to pick. They were picked on a functional basis. It has been agreed that are all senators of capacity. They will discharge their function with distinction; they will discharge their function as we in this chamber expect them to discharge the heavy responsibility entrusted to them.

It may be that as time goes on there might be one or two who feel they cannot serve on the committee, for one reason or another, and in that event we shall certainly want to take into consideration the suggestions that have been made.

The field of examination by this committee is unlimited. Thus far the governments have been considering the entrenchment of a Bill of Rights, expanding the present Bill of Rights, moving it out of the exclusive federal sphere, taking into account federal jurisdiction, to give the existing Bill of Rights a greater authority and coverage. There has been discussion of the entrenchment of the important rights guaranteed under section 133 of the British North America Act. Agreement has not yet been reached on this proposal, but there has been a wide discussion. The jurisdiction of the federal Government in this area has been questioned. In any event, this is one of the matters that will be discussed by the governments as well as by the committee.

There will be the question of economic disparity. Many people in this country today argue that more important than the constitutional question is the question of economic disparity. The committee will examine this. This is the contention now of some of the provinces, as we know from the reported discussion of the conference of yesterday and today. The Government does not for one moment deny the great importance of economic disparity, and as an earnest of its interest and concern has established a separate department of government dedicated to that assignment.

There will be the question of working out the formula for the allocation of the spending power. The federal Government's capacity for taxation, representing the nation as a whole, is of course unlimited. To what extent can access be given to the provinces to meet their heavy obligations? These are difficult and vital questions that will be hammered out, but they will be discussed and I believe that solutions will be reached. They will not be reached tomorrow; they will not be reached next year; but it is perhaps well that we take our time so that we conclude correctly in a way that will not be damaging to the national interest.

Then there is the question of foreign policy. Where does jurisdiction for foreign policy lie? Can it be shared with the provincial governments? Can there be more than one authority speaking for the nation in respect of our relations with other countries? If it is agreed that

the treaty-making power lies exclusively with the federal power, to what extent can agreements by the provinces be entered into with respect to matters under section 92 of the British North America Act? Does it require, as the federal Government contends, an umbrella agreement, an agreement to which these secondary conventions, these ententes, must be made subject? These are the matters, and many more, that will be considered by this joint committee.

I am sorry that in the other place one member of that house, while approving the establishment of this joint committee, said, however, he did not want to see a joint committee established; he did not wish in this endeavour, much as he had high regard for the membership of this House of Parliament, to sit with senators. I regret that statement. Each Member of Parliament is responsible in both houses for what is said by him in that house, but it is inconceivable to me that we could have a parliamentary committee that did not embrace both houses, particularly when we are dealing with as fundamental a matter as the Constitution.

Senator Yuzyk made one emphatic point. If I do not cover all the matters he referred to I do want to mention what I believe was his underlying thesis. He pointed out, using the figures of 1961 from the Dominion Bureau of Statistics, the character of the Canadian population.

Senator Yuzyk did not deny that under the Constitution there were two official language groups, nor do those who share with him his particular background take issue. However, it is important that we should remember the wording of section 133 of the Constitution which reads:

> Either the English or the French Language may be used by any Person in the Debates of the Houses of the Parliament of Canada and of the Houses of the Legislature of Quebec; and both those Languages shall be used in the respective Records and Journals of those Houses; and either of those Languages may be used by any Person or in any Pleading or Process in or issuing from any Court of Canada established under this Act, and in or from all or any of the Courts of Quebec.

We have subsequently, of course, by the Languages Bill added to the scope of this provision.

I am grateful to Senator Yuzyk for frankly acknowledging the constitutional position with regard to the two official languages. I wish I had brought with me tonight the words of Walter Tarnopolsky of the Osgoode Law School, now Dean of the Law School at the University of Windsor. At one of the conferences that I know Senator Yuzyk attended, Dean Tarnopolsky spoke lucidly and cogently on this point. It was clear that there was no disagreement as to the effort by the Government and the provinces of Canada to observe strictly the implications of section 133 of the British North America Act.

When we refer to the two official languages, as the Prime Minister said when he introduced this subject in the other place, there is no thought of overlooking the existence of other groups in our country who are referred to by name in the table which Senator Yuzyk placed before us tonight. In the Royal Commission on Bilingualism and Biculturalism there was clearly an appreciation indicated in the recommendations of that commission in Volumes 1 and 2—I have not yet finished my full reading of Volume 3—of the existence and the rights which attend the third group in this country.

Long ago Canada took a decision that we were to be a multicultural country, one that is legally and constitutionally bilingual and bicultural in character, always taking into account the existence of these other groups that compose the Canadian nation and represented in this chamber by Senator Yuzyk, among others. Nothing that the Government is doing at these constitutional conferences or which has emanated from the report of the Royal Commission or anything that I have heard—I have attended all of these recent conferences—from provincial representatives have varied in any way from the view which I think is implicit in our national existence. That is, while we have two official language groups we also have a group of other citizens who are no less in stature or in function than those two groups that made up the two main formations when Confederation was established.

Senator Yuzyk quoted from Laurier. He anticipated me because I was going to make that same quotation as a reflection of what most Canadians believe Canada to be, a mosaic. As Laurier said, based on his visit to that English cathedral, this is a land that reminded him of the marble, of the oak and of the granite which constituted the physical structure of the cathedral he had visited. For here he wanted the marble to remain, the granite to remain and the oak to remain, and

out of these elements to build a nation great among the nations of the world. That is what this Government believes and what this Parliament subscribes to, and also what the Canadian people believe in and want to see done.

On my left sits Senator Croll, who was formerly mayor in my own city and was born in Russia, as were his father and mother. Senator Yuzyk is himself an example of the origins of many of our people who were born outside this country. They have come here and they are making their contribution to Canada. It has been a noble contribution in the professions, universities, business and in Parliament. No one wants in any way to create a second-class citizenship and no one proposes to do so.

Notwithstanding what is being done in these discussions or what will emanate from the recommendations of this parliamentary committee, I can think of no more important duty for this house and for the other place than to be engaged in a study of the constitutional basis of our country. The Constitution of Canada is not completely written. That portion of it which is written is essentially embodied in the British Act of Parliament, the British North America Act. From that Constitution, as the Prime Minister said, springs the authority for our laws, for the administration of justice and for the preservation of order in our society. It affects the most common acts of every-day lives, the price we pay for our groceries, our heating, the quality of the air we breathe, the water we drink, the programs we watch on television, the way we run our schools and our courts, the number of jobs, the development of industry and the adequacy of our health and welfare services. That is why the Constitution is important. That is why it is important, not only for lawyers but for those who are interested in the progress of our country; that is why we must see to it that the basis upon which we proceed in Parliament, in the making of the laws of this country, are orderly and well established. That is the purpose of this joint committee. It is satisfying to note that this Senate is prepared to share with the other place in the performance of this vital task.

Hon. Senators: Hear, hear.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

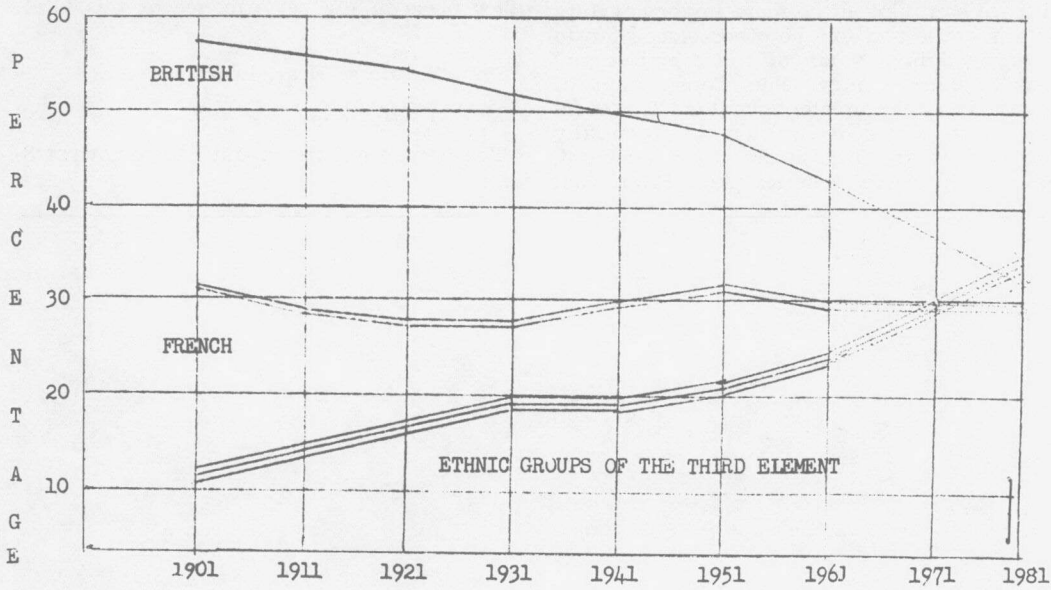
(*See page 558*)

CONSTITUTION OF CANADA

SOURCE MATERIAL REFERRED TO BY HON. MR. YUZYK IN DEBATE ON PROPOSED JOINT COMMITTEE

CANADIAN POPULATION TRENDS (Percentagewise)

	1901	1911	1921	1931	1941	1951	1961
British	57	56	55	52	50	48	44
French	31	29	28	28	30	31	30
Third Element	12	15	17	20	20	21	26



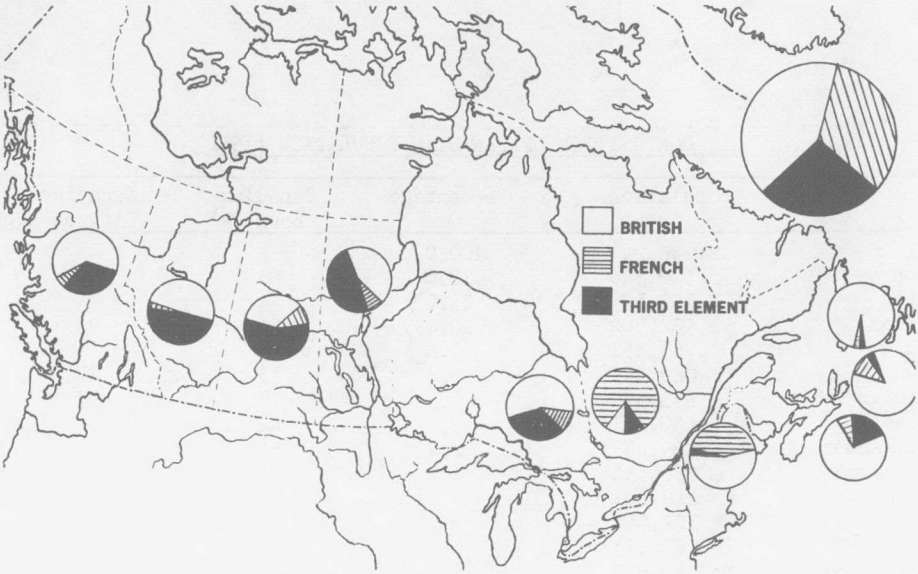
Source: Dominion Bureau of Statistics.

Appendix 2

ETHNIC COMPOSITION OF CANADIAN POPULATION (1961)

Group	Population	Percentage	Canadian-born (%)	Canadian Citizenship(%)
Total	18,238,247	100.0		
French	5,540,346	30.4	98	99
English	4,195,175	23.0		
Scottish	1,902,302	10.4	86	96
Irish	1,753,351	9.6		
German	1,049,599	5.8	73	87
Ukrainian	473,377	2.6	77	97
Italian	450,351	2.5	41	61
Netherlander	429,679	2.4	64	81
Scandinavian	386,534	2.1	73	93
Norwegian	148,681			
Swedish	121,757			
Danish	85,473			
Icelandic	30,623			
Polish	323,517	1.8	60	90
Indian	220,121	1.2	100	—
Jewish	173,344	1.0	62	93
Judaic Faith	254,368	1.4		
Welsh	143,942	0.8	86	96
Others	729,051	4.0		

Appendix 3



ETHNIC COMPOSITION OF THE CANADIAN POPULATION BY PROVINCES
1961

	British	French	Third Element
Canada	44%	30%	26%
British Columbia	61	4	35
Alberta	45	6	49
Saskatchewan	40	7	53
Manitoba	43	9	48
Ontario	60	10	30
Quebec	9	81	10
New Brunswick	55	40	5
Nova Scotia	71	12	17
Prince Edward Island	80	17	3
Newfoundland	94	4	2

THE SENATE

Wednesday, February 18, 1970

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

Prayers.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Copies of the Canadian International Development Agency Annual Review 1969.

RAILWAY ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Hédard Robichaud, Acting Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill C-11, to amend the Railway Act, and had directed that the bill be reported without amendment.

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

Hon. Arthur M. Pearson: Honourable senators, when the committee met this morning, there were no senators present, except myself, representing any part of Canada but the Maritimes. That is why the bill passed so easily.

Hon. Mr. Robichaud moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

RADIATION EMITTING DEVICES BILL

REPORT OF COMMITTEE ADOPTED

Hon. Hédard Robichaud, for Hon. Harry Hays, Acting Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill S-14, respecting the sale and importation of certain radiation emitting devices, and had directed that the bill be reported with the following amendments:

1. Page 2: Strike out paragraph (g) of clause 2 and substitute therefor the following:

"(g) "radiation" means energy in the form of

(i) electromagnetic waves having frequencies greater than ten megacycles per second, and

(ii) ultrasonic waves having frequencies greater than ten kilocycles per second;

2. Page 2, line 6: Immediately after the word "designed" insert the word "primarily".

3. Page 2: Strike out clause 3 and substitute therefor the following:

"3. This Act does not apply to any radiation emitting device that is designed primarily for the production of atomic energy within the meaning of the Atomic Energy Control Act.

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

Hon. Mr. Robichaud: With leave of the Senate and notwithstanding the provisions of Rule 45(1)(f), I move that this report be taken into consideration now.

I have no special explanation to give honourable senators, except to say that the bill was referred to the committee and that its report is now being submitted with three minor amendments. I now move the adoption of the report.

The Hon. the Speaker: Is it your pleasure, honourable senators, that the report be taken into consideration now?

Hon. Senators: Agreed.

Report adopted.

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

Hon. Mr. Robichaud moved that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Motion agreed to.

STANDING COMMITTEE ON NATIONAL FINANCE

CHANGE IN MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(h), moved:

That the name of the honourable Senator Aird be substituted for that of the honourable Senator Dessureault on

the list of Senators serving on the Standing Senate Committee on National Finance.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, February 19, at 2 o'clock in the afternoon.

Honourable senators, may I be permitted to add that so far as we can ascertain at the moment the Senate will not be sitting next week. However, committees of the house will be sitting. The special Committees dealing with Poverty and Mass Media, and the Standing Committee on Foreign Affairs will meet on Tuesday; the Standing Committee on Banking, Trade and Commerce will meet on Wednesday, and the Special Committee on Poverty and the Standing Committee on National Finance on Thursday. I hope there will be 100 per cent attendance at these meetings.

Motion agreed to.

[*Later:*]

Hon. Malcolm Hollett: Honourable senators, may I ask the honourable Leader of the Government if he can give us any idea of when the Senate might meet again after it adjourns tomorrow.

Hon. Mr. Martin: We will meet again a week from the following Tuesday. As Senator McDonald pointed out, there will be meetings of committees next week, and senators will be busily engaged in that important work.

Hon. Mr. Hollett: I understand that.

BANKING, TRADE AND COMMERCE COMMITTEE

AUTHORITY TO SIT DURING SENATE ADJOURNMENTS

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(h), moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit during adjournments of the Senate.

He said: Honourable senators, the reason for this motion is that the Senate will not be sitting next week but this committee will meet.

Motion agreed to.

[Hon. Mr. McDonald.]

INCOME TAX

TUITION FEE DEDUCTIONS—QUESTION

Hon. Allister Grosart: Honourable senators, I would like to ask a question of the Leader of the Government, of which I have given him notice.

My question refers to a Government notice which appears in Part I of the *Canada Gazette,* No. 7, dated February 14, 1970, at page 382. It is headed: "Subject: Tuition Fees of Students", and its purpose is described as being "to update the interpretations and requirements relative to deductions in respect of tuition fees."

I ask the honourable Leader of the Government to inform the house as to the nature and extent of these interpretations and requirements as they affect income tax payment by parents and others who pay tuition fees for students.

I point out to the Leader that whatever the intent is, it has taken 1,600 words to explain it.

Hon. Paul Martin: The honourable Senator Grosart gave me notice last night of his intention to ask this question, and I shall have to take his question today as notice. However, I would point out that it will be possible to get detailed information when the bill respecting student loans is considered by a committee of this house. However, the honourable senator is within his rights in asking the question now. I will see that he is given a supplementary answer. In the meantime I would simply point out that the wording on Information Bulletin No. 27 now revised is the same as it was in 1964. The main change is in an updating of the wording consequential upon certain amendments to the Income Tax Act in 1966.

I will provide the honourable senator with a further answer at a later date.

EXPROPRIATION BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Urquhart for the second reading of Bill C-136, respecting the Expropriation of Land.

Hon. Lazarus Phillips: Honourable senators, first I should like to congratulate the honourable sponsor of this bill (Hon. Mr. Urquhart) for his precise and analytical explanation of its contents. I find this bill interesting because as I remember it is the first time in the short period that I have been here that emphasis

has been placed on the rights of the subject rather than on the privileges of the executive part of the Government.

We are all familiar with the fact, primarily because of two world wars and the depression, that there has been a centralization of power in the hands of the executive. Indeed, one of the great problems we are facing in the present experiment with parliamentary democracy is to discover how we can correlate the extensive powers of the executive with the necessary protection that parliamentary institutions must give to both individuals and property. This bill, in my humble opinion, is a very interesting and worth-while example of what is being done in the way of providing such protection.

I may say that when Bill C-200, to which Senator Pearson referred, was introduced in the other place during the last session of this Parliament there was an appreciation of the fact that it was not an ordinary bill. I am hopeful that it may well be a prototype for further bills involving the protection of both persons and property. Indeed, when Bill C-200 was introduced in the other house in the last session, an article appeared in the *Financial Post,* from which I quote:

> Possibly this bill is a new trend in the progress towards participatory democracy.

I therefore regard this bill as being by way of remedial legislation, having regard to an illness that has been persistent for a long time in the field of expropriation. I realize that in the remarks that I will be making today I shall be addressing myself more particularly to the lawyers in this chamber. I beg the indulgence of honourable senators who may not be lawyers and who might find my remarks to be typically legal and lacking a certain amount of scintillating interest.

Before proceeding, I draw your attention to the act that this bill proposes to repeal. If you will be good enough to refer to page 39 of the bill presently before you and read clause 42 you will note that it is proposed to repeal the present Expropriation Act, which is chapter 106 of the Revised Statutes of Canada, 1952, and sections 46 and 49 of the Exchequer Court Act. The Expropriation Act and these two sections of the Exchequer Court Act will be repealed if this bill now before you becomes law.

In order to give you an idea of the trials and tribulations to which the citizenry of Canada were subjected in dealing with their rights under the old law or, for that matter, under the present law, the one which we hope to repeal, I should like to draw the attention of honourable senators to the views of the Honourable Mr. Justice Thorson, then President of the Exchequer Court, when he rendered a judgment in 1959 in the case of *Ethel V. Grayson* vs *Her Majesty the Queen,* reported in Exchequer Court Reports for the year 1959. I shall read into the record what a learned jurist thought of the present act. Referring to section 9 of the present Expropriation Act which we hope to repeal, and sections 46 and 49 of the Exchequer Court Act, this is what Mr. Justice Thorson had to say:

> Under these provisions a man's land can be lawfully taken from him without his consent, and even without his knowledge or any notice to him, merely by the deposit of record in the proper land titles or land registry office of a duly signed plan and description of the land. This may be done whenever the minister of the department charged with the construction and maintenance of the public work for which the land is to be taken deems it advisable to do so. On such deposit the expropriation of the land is complete without any further act by anyone. Whatever right, title or interest the former owner, or any other person, had in or to the land is immediately extinguished and the land is automatically vested in Her Majesty The Queen free and clear of any claims to or encumbrances upon it. All that is left to the former owner of the land, or a person having had a claim to or an encumbrance upon it, is a claim to compensation, which by section 23 of the Act is made to stand in the stead of the land. And I might add here that the settlement of claims to compensation is frequently unconscionably delayed.

Then the learned President of the Court renders this indictment on the present law.

> I have frequently called attention to these provisions of the law and stated that Canada has the most arbitrary system of expropriation of land in the whole of the civilized world. I am not aware of any other country in the civilized world that exercises its right of eminent domain in the arbitrary manner that Canada does. And, unfortunately, the example set by Canada has infected several of the Canadian provinces in which a similar system of expropriation has been adopted.

This is what one of our most learned legal brains thought of our present Expropriation Act.

Lawyers generally are familiar with the fact that the law of eminent domain has a long history behind it. It goes back to feudal times, where there was an associated concept of *Dieu le veut*—God wishes it—and from that time forward as the secular power was extended, instead of *Dieu le veut* we had *le Roi le veut*. So the whole conception of eminent domain and arbitrary confiscation of the rights of the subject or the citizen evolved along the lines I have mentioned.

In this connection, it may be of staggering interest to senators to learn that as a strict matter of law, under the laws of our country, and going back to a case in 1881, it was held that the Crown had the power to expropriate land for public purposes without compensation to the owner. In other words, the Crown could expropriate without the legal obligation of payment. Admittedly, in practice, this right was not practised in full by the Crown. The case in authority for the principle that there could be an expropriation in strict law without payment is *Winnipeg vs. Cauchon,* 1881, Armour 350. Taking the indictment of the Honourable Mr. Justice Thorson and the pure legal principle of law, as well as going back to ancient times in respect of the right of expropriation, without payment whatsoever, we can see what distance we propose to travel in terms of the application of equitable principles for the purpose of protecting the rights of the person and the rights of property.

It is for these reasons—and I do not wish to press the point unduly, honourable senators—that I regard this bill of more than passing interest. I am hopeful that when future legislation is presented to Parliament in both houses dealing with subject matters involving personal liberty and property, that this bill may stand as a beacon light to those who will be doing the drafting in terms of policies indicated to them.

I may be wrong, and if I am, please excuse me, but I have gone through this bill preparatory to making my observations here today, and I do not think that there is any reference to regulation by order in council in this bill. This is a most extraordinary and salutary innovation, and one which should be noted in *Hansard* so that in future, when we are dealing with powers asked for by ministers by way of appropriation of the right to give effect to the statutes by regulations, we will have a precedent to prove that one can draft a bill without the necessity of ancillary and complementary quasi legislation through the practice of orders in council and regulations.

Some Hon. Senators: Hear, hear.

Hon. Mr. Phillips (Rigaud): In order that I may put into the record permanent indication of what the law is in addition to the case of Mr. Justice Thorson and in support of the suggestion that the law is such now that the rights of the individual are extremely limited, I would simply cite for the record two cases which I will not quote but which will be available for reference by senators who are sufficiently interested in the subject matter to study them. The first is the case of *King vs.* Beech, *1930 Ex. C.R.,* pp. 133-136, a judgment of Maclean J. The second is *The King vs. the City of Toronto,* 1946, *Ex. C.R.,* pp. 424-432, O'Connor J. These judgments which I have just referred to, dealing with the history of eminent domain, and expropriation, have all led to experiences that lawyers have had through the years which have been very frustrating in terms of procedure, of timing, and of limitation as to the amount of compensation that could be given. Generally the somewhat condescending attitude taken towards the legal profession and towards owners of property, when attempts were made to introduce broader principles of equity, having regard to the strictures of the statute in dealing with expropriation cases, will now be eliminated.

I should like in particular to draw the attention of honourable senators to two very important clauses, which appear on pages 9 and 16 of the bill before you. Here also we find a very interesting and comforting precedent, to which I turn now.

Under clause 9, when the notice of intention has been registered—I am referring to the paragraph at the top of page 9, dealing with cases where the Crown is urgently required to take possession property which is a subject of the proposed expropriation—the Crown has no right to take such possession unless a special order in council is passed for the purpose. Then turning to page 16, after dealing with the intention to acquire the property, as explained by Senator Urquhart, you find the same provision.

The right to proceed by order in council is not a broad right that is given. The Governor in Council must justify the order in council as being in the public interest. I should like to read the pertinent paragraph, because of its

importance. I read from the top of page 9, clause 8(11):

> (11) Where, at any time before a notice of intention is registered, the Governor in Council is of the opinion that the physical possession or use by the Crown of the land to the extent of the interest intended to be expropriated is, by reason of special circumstances, urgently required and that to order that a public hearing be conducted with respect thereto would occasion a delay prejudicial to the public interest, the Governor in Council may direct that no order be made by the Minister under subsection (1) with respect to the intended expropriation and, in any such case, a statement to that effect shall be included in the notice of intention.

In other words, the elimination of the procedure of notice of intention can only be justified by order in council under the very special circumstances to which I have just referred, thereby eliminating arbitrary action or unwarranted or unjustified decision by the executive arm of government.

We come now to an extraordinarily interesting part of the bill, in my opinion, namely, the right of a person to a hearing in order to force the executive arm of government to justify the intent to expropriate. This is an extremely interesting provision of the proposed law and is very unusual. I commend it to your careful study because here again we are dealing with what I referred to before as participatory democracy.

Senator Urquhart has explained this bill in great detail. With his concurrence, I propose merely to summarize the bill under a series of simple headings and take up two or three aspects which I have not dealt with up to this point. If I were asked to summarize this proposed Act, I would say it could be dealt with under the following headings:

(1) Notice of intention to expropriate, and the proceedings that must be taken by the designated hearing officer.

(2) Possession by the Crown only by order in council.

(3) The right of election to reject abandonment—found in clause 18 on page 16.

(4) The right of compensation, which is dealt with in clause 24, on page 19.

(5) The question of interest, dealt with in clause 33 on page 33.

(6) The question of costs, clause 36, page 35.

I come back to my point No. 3, the right of election to reject abandonment, clause 18. Here again I think we have an eminently fair provision of law where, once a minister has moved by the initial stage of notice of intention, there is no right of abandonment as such in favour of the Crown. The right of election for abandonment or the right of insistence on expropriation is vested in the taxpayer. I commend this clause as having highly significant precedent values for the future.

On the question of compensation, clause 24, the bill introduces some revolutionary principles which are of great interest.

Honourable senators who are lawyers and are familiar with the jurisprudence will agree with me that, broadly speaking, under the old act, and in the jurisprudence that developed more on an equitable basis, that within such equitable principles the compensation was restricted more or less to the market value of the thing expropriated, without much attention being paid to ancillary damages as a result of the expropriation and inconveniences of any economic or other nature.

Honourable senators, clause 24 sub-clauses 1 and 2 of the bill, read as follows:

> (1) The rules set forth in this section shall be applied in determining the value of an expropriated interest.
>
> (2) Subject to this section, the value of an expropriated interest is the market value thereof, that is to say, the amount that would have been paid for the interest if, at the time of its taking, it had been sold in the open market by a willing seller to a willing buyer.

That, broadly speaking, is the present law.

I ask honourable senators to be good enough in due course to read the further ancillary and very important compensations that are now to be given as a result of the expropriation. In addition to market value, there are now to be granted costs, expenses and losses arising out of or incidental to the owner's disturbance, including moving to other premises, plus the value to the owner of any element of special economic advantage to him arising out of or incidental to his occupation of the land, and further advantages and benefits referred to in the subsection to which I referred honourable senators.

I think in summary form under the heading of "Compensation" I have indicated the revolutionary and constructive changes that are

being made in favour of the citizen and of his property rights. I have referred to item No. 5 in my summary as dealing with the question of interest. Here we have an important innovation of punitive interest rates applicable to punitive periods, if, as a result of dilatory tactics on the part of the executive, relief is not granted by way of the extra compensation to which the owner is entitled. Here also I think we have an interesting precedent that might well be followed in the future.

I should have introduced as another subheading before coming to the last part of my remarks, that for the first time we are recognizing the rights of parties to property other than the rights which we lawyers love to refer to learnedly as *proprietas nudus*, the pure ownership of the property. The nexus, as we say in Quebec, between the expropriated property and the Crown, was handled by the owner of the property only and not by others who had an interest therein, such as tenants on lease. We now have the rights of the tenant established as a claimant and as a person who need not function through the owner but who on his or her own account can, through the procedures outlined before the hearing officers and other officers mentioned in the statute, state their case. This again is an innovation of great value.

Lastly, honourable senators, I should like to remind you that under the old law, as we used to say in the days of Ripley and the cartoons, "Believe it or not," the owner of property was not entitled to any costs whatsoever under the act or under the sections of the Exchequer Court Act to which I referred. In this connection I should like to draw a distinction between the handling of costs under the old law and the handling of costs as now being done under the present statute before you for consideration.

This is the comparison: Under the present law a person claiming compensation has no right to claim his legal and appraisal costs reasonably incurred in asserting his claim before legal proceedings are commenced to determine the compensation payable to him. Under the proposed new law, in summary, the present bill makes express provision for the payment of costs at three distinct stages: (1) the pre-expropriation stage, when objection can be taken to the expropriation itself; (2) the negotiation stage following upon the confirmation of an intention to expropriate; (3) the litigation stage to which resort may be had in the event that a negotiated settlement cannot be achieved. So there are three stages and three headings for compensation, particularly for the harassed and down-trodden lawyers who will be handling these cases for those whose properties are being expropriated.

Honourable senators, for these and many other reasons that are reflected in the bill, but with which I did not wish to take up any more of your time because I feel it would be redundant, it is my intention, happily, to vote for this bill.

Hon. Mr. Choquette: I should like to ask honourable Senator Phillips (Rigaud) to clarify one point. Suppose an amount is offered by the Government in an expropriation case and is deposited into court but is refused by the litigant. Then, if when judgment is rendered by the Exchequer Court the amount happens to be the same or less than originally offered, is the litigant in the same position as in other court cases? In other words, is he saddled with the costs?

Hon. Mr. Phillips (Rigaud): In the absence of a statute the question of costs is always discretionary, or at least it used to be discretionary in the court. But I should say that, in the light of the present legislation, where provision is made for the payment of costs under the three headings to which I have referred, costs would be chargeable against the Crown notwithstanding the fact that the court finding might be in an amount less than the deposit made based upon the initial appraisal.

Hon. Mr. Flynn: Honourable senators, I have a supplementary question for either Senator Phillips (Rigaud) or Senator Urquhart. When an offer of compensation has been made which the expropriated party considers insufficient, is the expropriated party entitled to be paid that amount and then to continue seeking the difference to which he considers he is entitled?

This is an important point, because very often the expropriated party cannot wait until a final judgment; he would be left in a difficult position if he could not draw immediately at least the amount of the offer. I am not sure, but I think either clause 14 or clause 15 deals with that point.

Hon. Mr. Urquhart: If the Crown makes a firm offer of compensation to the owner or the tenant, and the owner or tenant accepts that offer, then the owner or tenant is entitled to payment forthwith by the Crown. The offer is made to him and payment is made on an

unconditional and without prejudice basis, which means that he then can proceed in the Exchequer Court to get higher compensation—or less, whichever the court decides. Does that answer your question?

Hon. Mr. Flynn: I thought that was the meaning intended by clause 14, but it is not entirely clear, because if he accepts the offer it is normally because the offer is sufficient.

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

Hon. Earl Urquhart: Honourable senators, before the debate is adjourned, may I be permitted to answer a question that was posed last night by Senator Grosart?

The Hon. the Speaker: I understand that honourable Senator Carter has no objection to honourable Senator Urquhart's answering the question that was asked yesterday by Senator Grosart before I put the motion of adjournment.

Hon. Mr. Carter: Agreed.

Hon. Mr. Urquhart: Honourable senators, honourable Senator Grosart asked whether any of the corporations not included in Schedule B to Bill C-136 had powers of expropriation.

I checked into the question and I have been advised by the Department of Justice this morning that the only Crown corporations that have power of expropriation are those listed in Schedule B to Bill C-136. The Crown corporations specifically referred to last evening by Senator Grosart, namely, Central Mortgage and Housing, Atomic Energy of Canada Limited, and Eldorado Mining and Refining Limited, do not have powers of expropriation. Polymer Corporation is now independent and is no longer a Crown corporation. Accordingly, Bill C-136 will govern expropriations only by the Crown corporations listed in Schedule B of that bill.

Senator Grosart was also kind enough to give me notice today of another question which he had in mind, as to whether the Crown could expropriate land for Crown corporations other than those listed in Schedule B to the bill. I have looked into this matter, and I have been advised that the federal Department of Public Works can expropriate land for any Crown corporation, other than those listed in Schedule B, for a public work or for a public purpose, because those corporations, other than those listed in Schedule B, are agents of the Crown.

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

CANADA STUDENT LOANS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, February 12, the adjourned debate on the motion of Honourable Mr. Cameron for the second reading of Bill C-135, to amend the Canada Student Loans Act.

Hon. Paul Yuzyk: Honourable senators, it was a pleasure for me to listen to the lucid explanation of Bill C-135 given by Senator Donald Cameron, an outstanding Canadian educationist, for whom I have an abiding respect. We know that he is devoted to education being made available to all deserving students and to the welfare of our Canadian citizens. I am sure that I express the gratitude of all his colleagues in this chamber for his untiring efforts in this field and wish him the inner satisfaction that is gained when one realizes that one's services are fruitful and appreciated.

Senator Cameron has provided us with a full explanation of the amendments to the Canada Student Loans Act which was passed in 1964. These amendments are necessary to make it possible for more students to further their education beyond the secondary school level by making loans more easily available and to adapt the loans to the new situation at some universities which now adhere to the semester system. All these amendments to the act are definitely a considerable improvement.

As Senator Josie Quart has already indicated, the opposition endorses the proposed amendments, considering the bill to be a good piece of housekeeping legislation. I have some questions of a technical nature but I shall ask them when the bill is examined in committee, as has already been proposed by the sponsor of the bill.

It is heartening to learn that since the enactment of the Canada Student Loans Act, 353,999 students have availed themselves of these loans. Thus a large proportion of university students was able to complete degrees which otherwise might not have been possible or would have posed great hardships. Since higher education is more necessary now than ever before, as the student upon graduation must fit into a rapidly expanding technological life, these loans undoubtedly have proved to be beneficial to the student on the one hand and to our country on the other.

These have been full-time students, but the Government should also give serious consideration to giving this form of assistance to part-time students. I agree with Senator Cameron that there are many thousands of such students who are desperately striving to upgrade their education to get better employment or to improve their standards in order to secure promotions in their jobs or professions.

I think that the time has come for the Government to look beyond the scope of this act and to begin to provide real assistance to high-calibre university students, who for financial reasons are not able to carry on. Many provinces have instituted scholarship programs, something that can be done much better by the federal Government, particularly at higher and specialized levels.

In previous debates on student loans, I drew attention to the serious problem of the brain-drain to the United States. Annually, highly-trained scientists, engineers, university teachers, physicians and surgeons, who have been educated at a high cost to Canada, emigrate to our southern neighbour, where they take up employment and settle down. It has been estimated that it requires from $50,000 to $60,000 of public money to produce a Ph.D., which is a complete loss if such a person leaves Canada permanently.

I believe the Government could considerably reduce this outflow of brain-power if it adopted a scheme similar to the one existing in the Canadian Northwest Territories. There the loan to a student attending university becomes an outright grant if after graduation he returns to the Territories and lives there for at least four years. Such a scheme applied under the Student Loans Act throughout Canada would do much to keep our highly-educated graduates in our country and would benefit the growth of science, technology, industry and education, all of which contribute to the well-being of our society and country.

The seriousness of the brain-drain becomes apparent from a report of Peter Y. Comay of Princeton University, in a special study for the Department of Manpower and Immigration in Canada. Here are some significant findings of this study, as summarized in the London *Free Press* of January 8, 1970:

> Canadians annually account for more than 25 per cent of professional manpower migration to the U.S. from all countries.
>
> Nearly nine per cent of all Canada's professionals emigrated to the U.S. in 1953-63. This percentage rose to about 20 or more for chemists and engineers.
>
> Thirty per cent of all Canadian graduate students—those with doctorates—went to the U.S. in 1965-66.
>
> The number of Canadian university students in the U.S. rose by more than 400 per cent to 12,117 in 1966-67 from 2,676 in 1946-47.
>
> Canadian salaries in industry and Government trail those in the U.S. by as much as 40 per cent.
>
> U.S.-educated Canadians are more likely to seek jobs in the U.S. than those educated in this country. And the higher the education level, the greater the likelihood of migration to the U.S.
>
> The average age of those migrating is 30. Children in the family reduce only slightly the probability of migration.
>
> Salary differentials as big as $2,000 a year change the likelihood of migration by only two or three per cent.
>
> About one-third of migrants return to Canada, after an average stay of 2½ years in the U.S. Those with doctorates are least likely to return.

The report states that Canada could decrease the emigration of scientists and engineers "without having to match American salaries". It is recommended that Canada should continue to expand graduate studies programs and that there should be special attractions to retrieve migrants. The most important factor which attracts Canadian university graduates to the U.S.A. is the convenience of finding jobs and the prospects of promotion. Consequently, the Government must find ways and means to stimulate the expansion of science, technology, and particularly innovation in industry and government facilities, and to provide job information.

I believe that special attention should be devoted to the problem of our brain-drain. I cannot see that much progress will be achieved in this direction until the Government adopts an overall science and technology policy which will be co-ordinated and carried out throughout the various departments of government by a minister charged with that responsibility. Furthermore, Canada is confronted with the problem of the imbalance of the education and training of scientists, engineers, medical specialists, et cetera. In some fields there is an over-production of

specialists and in others a serious lack. A minister in charge of general policy in such matters would be in the best position to regulate the use of our brain-power and natural resources in the best interests of our people and country.

Honourable senators, these are a few remarks that I have considered making regarding students, education and the use of manpower. The Canada Student Loans Act is a good measure as far as it goes, and should have the approval of the Senate. However, the Government should now be looking at the problem of the best use of our brain-power to help solve such great problems of our society as pollution, urbanization and poverty, thus contributing to the general economic and social betterment of the Canadian people.

Hon. Chesley W. Carter: Honourable senators, Senator Cameron pointed out in his excellent explanation that Bill C-135 is, for all practical purposes, a housekeeping bill.

The legislation which Bill C-135 amends, the Canada Student Loans Act, achieves seven main objectives:

1. The authorization of loans to students for post-secondary education.

2. A limitation on the total amount of money that can be used for such loans in Canada in any one year.

3. A formula whereby the total amount may be distributed among the various provinces and territories.

4. A limitation of the maximum loan to any one student of $5,000 and of $1,000 in one student year.

5. The authorization of certain lending institutions to make such loans.

6. Authorization for the federal Government to guarantee these student loans and to pay the interest on them up to a period of six months after the borrowing student graduates.

7. Authorization for any province to opt out of the student loans plan and to be reimbursed by the federal Government for interest paid and for uncollectible loans on the basis prescribed in the act.

That the Student Loans Act has proved itself to be good legislation, filling an obvious need, is evidenced by the increased and ever-increasing use that students are making of it. For example, as the sponsor pointed out in his lucid presentation, the number of students securing loans under the Canada Student Loans Act has grown from 42,000 in 1964-65, the first year in which the legislation became effective, to 107,000 in the year ending June 30, 1969. The latest figure for 1969, up to December 31, was 109,666. Also during the same period the total amount loaned increased from a little over $26 million to $62 million in 1968, and $71,727,077 in 1969. In other words, both the number of students obtaining loans and the total amount of money loaned had multiplied by more than 2½ times in the five years the program has been in effect.

The total amount available for student loans in the current loan year is $100 million. The loan provision of Bill C-135 is to increase this limit to $115 million for the year beginning July 1, 1970, and to provide a better escalation formula for subsequent years.

Until now the only authorized lending institutions have been the chartered banks and certain credit unions. Bill C-135 would enable the minister to augment this group by authorizing certain trust companies, loan companies and insurance companies as lending institutions for student loans provided they apply and meet the required criteria.

Bill C-135 makes no change in the amount or limit of individual student loans, but does provide for these loans to be made on a semester basis as well as on an academic year basis.

It also clarifies the position of foreign students. Foreign students who are in Canada on a student visa are not eligible, but foreign students who have acquired landed immigrant status and have been in Canada for one year are eligible. The landed immigrant status is taken as evidence of the student's intention to remain in Canada after graduation.

It is axiomatic that the principle of an amending bill must be the same as that of the bill being amended. The Canada Student Loans Act is based on the principle that no Canadian who has the ability to benefit from post-secondary education should be deprived of it simply because he is poor. This is obviously a good principle and experience of the past five years has proved it to be good, and to be filling a very real need.

Bill C-135 introduces no new principle but merely tidies up the original act by bringing it more in line with developments in the academic world and, in the light of past experience, makes it easier to administer and to eliminate abuse. It therefore merits our wholehearted support.

Some criticisms were voiced when Bill C-135 was under debate in the other house, but these criticisms were based either on misconceptions, or on a misunderstanding of the main act. For example, there were complaints that the loan of $1,000 per year was not enough to cover student expenses, and that its value had been seriously eroded during the past five years by inflation. It was also felt that a total debt burden of $5,000 could have a more serious impact on a student from a poor family than on the student from a middle-class family. It was contended that because of his psychological reaction to debt, the poor student would be more likely to want to get rid of his debt burden as quickly as possible, and to do so he might choose a career which would enable him to attain that objective rather than a career in which his talents could be most usefully employed for his own satisfaction, or in which he might make his best contribution to the good of his country and his fellow man.

These criticisms overlook the fact that the Canada Student Loans Act is but one part of the student aid program. It also overlooks the fact that many provinces have student loan programs of their own, and in some cases these are integrated with the federal program. It must also be remembered that bursaries and scholarships from various sources also form part of the student aid program though, no doubt, good use could be found for a wider range of scholarships than is at present available.

There were also complaints of discrimination—of students from well-to-do families getting loans and students from poor families being refused. To answer these criticisms it is necessary to be clear about what the Canada Student Loans Act does not do. For example:

1. It does not set up a federal loan fund out of which the loans are made. The money loaned to students is not federal money. It is the money of the lending institutions. The only federal money expended is for interest on loans, and for uncollectible loans that have been guaranteed by the federal Government.

2. It does not prescribe any age limit for students applying for loans.

3. It does not set out criteria or conditions of eligibility. It simply specifies that the student must prescribe a certificate of eligibility. This certificate of eligibility is granted by the provincial authority. At the end of 1969, 492,000 eligibility certificates had been issued for a total loan of $298.4 million.

[Hon. Mr. Carter.]

4. It does not select or set forth any criteria for the selection of educational institutions on the basis of attendance at which student loans might be granted or refused. This too is determined by the provincial authorities.

The criteria for the selection of such educational institutions and the eligibility of students have been worked out in an interprovincial committee, and represent a consensus of all the provincial authorities including Quebec, which does not participate in the program. One would expect, therefore, that these criteria are administered fairly uniformly across Canada. Some variation is bound to exist, but it should not be of serious proportions.

If, however, such discrimination as that complained of does exist, it is something that can only be corrected by the province concerned. It is not due to any defect in the Canada Student Loans Act or in the bill now before us, and, in fact, it cannot be remedied by any federal legislation.

The chief criticism of this legislation is the one pointed out by Senator Cameron when he introduced this bill in that it does not make any provision for loans to part-time students. I should like to support Senator Cameron's recommendation in this regard, and to add also a special plea of my own that provision be made for the granting of student loans to teachers who at great sacrifice spend their summer vacations taking courses to improve their academic standing.

In Canada, constitutionally, education comes mainly under provincial jurisdiction, but due to the rapid changes taking place all around us and in the world at large, education is becoming more and more an area of national concern and this trend will increase as years go by.

Some speakers in the other place, while debating this bill, claimed that every Canadian child had the right to a university education and that university education should be provided free of charge without the necessity of student loans. If a Canadian child has the right to a university education, I suppose every other child in the world, no matter where he lives, must have a similar right. However, as far as Canada is concerned, since our human resources are our most valuable resources, to the extent that we regard money spent on education as an investment in the development of these resources this argument may have some validity. Be that as it may, there is no doubt in my mind that every Canadian child, regardless of the part of Canada in which he happens to be born, has

a right to an equal opportunity to develop his talents and abilities to his full potential. The responsibility for seeing that that right is recognized and fulfilled certainly rests with the national Government. It is a right that the provincial governments, by their very nature, are powerless to enforce.

Furthermore, we know now that education is a prime factor in determining the rate of growth of our economy; in expanding our G.N.P.; in improving our research and development; in enabling our technological development to keep pace with that of other industrialized countries; in making the best use of our manpower resources; in our attack on regional disparity, and in our attack on poverty and environmental problems. These are all areas of national concern and national responsibility, and in so far as education is a key factor in all these matters, the federal Government must of necessity become involved in it.

In terms of dollars, federal involvement in education today is quite considerable, but in terms of method, no matter how much co-operation is forthcoming from the provincial authorities, it can hardly be regarded as satisfactory. Indirect involvement such as we have today usually results in arriving at the lowest common denominator, and that is certainly not good enough. To cope successfully with the problems that face us today, the federal Government will have to become more directly involved in education than it is at the present time. This is a matter at which the proposed joint committee on the Constitution should take a good hard look.

Apart from the right of equal opportunity, the requirements for economic growth and for the solution of national problems, there are two other reasons why the federal Government must become more directly involved in education. One is the spiralling cost of education, particularly of the educational plant, the buildings, equipment and facilities. The educational burden is getting too great even for the richest provinces to bear, even though they pass a large share of the burden on to the municipalities. School taxes on property owners in urban areas are now so heavy that they must be approaching the point of diminishing returns.

It is all very well for provincial governments to say to the federal Government, "Give us more money and we'll spend it on education as we see fit". Under present circumstances I do not think the federal Government would be acting responsibly if it accepted that proposition.

Hon. Mr. Flynn: Why not?

Hon. Mr. Carter: For one authority to tax and another authority to spend is never a sound principle. The taxing authority should be the spending authority. When federal funds are spent, the federal Government has a responsibility to the taxpayers, and to discharge that responsibility it must have some voice regarding the nature of the expenditures and some control over them.

Hon. Mr. Flynn: Would you apply that to the equalization payments?

Hon. Mr. Carter: I am talking about education.

Hon. Mr. Flynn: I know you are talking about education, but first of all you are far from the bill. I am not objecting, because I am interested in finding out how far you are going. You are talking about taxation now and I would like you to push your argument to the limit, to see whether it can be reconciled with your premises.

Hon. Mr. Carter: There is much evidence that Canadians are not getting the best value for the tax dollars spent on education, whether they be provincial or federal.

Hon. Mr. Flynn: That is another subject again.

Hon. Mr. Carter: Our educational plants and facilities are much more costly than necessary and they are tremendously under-utilized.

Hon. Mr. Flynn: What do you suggest then?

Hon. Mr. Carter: The organization of elementary and high school education in Canada is chaotic. Despite consultations between various provincial departments in an effort to achieve a degree of uniformity, we have in Canada ten separate provincial jurisdictions with ten different curricula and ten different organizations of grades. Some have six elementary, two junior high and three high school grades; some with a "six-three-two" grade organization; some with a "six-three-three" and others with a "six-three-four" organization.

We also have ten different systems of teacher training and ten different methods of teacher certification. This constitutes barriers which prevent a certified teacher in one province from teaching as a certified teacher in another province—

Hon. Mr. Flynn: I deny that.

Hon. Mr. Carter: —without taking special courses to comply with the whims of each individual provincial authority.

Hon. Mr. Flynn: That is not true.

Hon. Mr. Carter: My honourable friend can make his speech later; I am providing him with material.

Hon. Mr. Flynn: If I reply to the honourable senator I will not be dealing with the bill in any event.

Hon. Mr. Martin: I do not think that Senator Flynn meant that—

Hon. Mr. Flynn: Yes I did.

Hon. Mr. Martin: —as a reflection on a senator who is among the most willing and most dedicated in this chamber.

Hon. Mr. Flynn: I have no doubt that Senator Carter has prepared a very good speech, but I suggest first that it is not relevant, and second that there are parts of it which are not convincing. That does not take anything away from his merit.

Hon. Mr. Carter: The principle underlying this bill is federal involvement in education and my whole speech is based on that theme.

Hon. Mr. Flynn: Yes, but that is not the subject matter of the bill.

Hon. Mr. Carter: We are not talking about the details of the bill, but about the general principle underlying it. I pointed out to my honourable friend that the general principle is that no person in Canada should be deprived of an education simply because he comes from a poor family or is poor himself. That is the general principle.

Hon. Mr. Flynn: Not at all.

The Hon. the Speaker: Order, please!

Hon. Mr. Carter: The whole purpose of this legislation is to counteract that tendency, and I submit that I am in order.

The Hon. the Speaker: Is there any suggestion by the Leader of the Opposition that the remarks of Senator Carter are irrelevant?

Hon. Mr. Flynn: I say that, but I do not object to them. I merely wish to be able to argue with him.

The Hon. the Speaker: If there were a point of order by the Leader of the Opposition to the effect that these remarks are not relevant, I would be in a position to deal with that point of order.

Hon. Mr. Flynn: Oh, no. This is a good speech but I am curious to hear the end of it. I did not say anxious, but curious.

Hon. Mr. Martin: I have never seen the Leader of the Opposition so worked up over so little.

Hon. Mr. Flynn: Occasionally when the Leader of the Government is speaking I get excited too.

Hon. Mr. Carter: When we consider that in addition to these other differences most provinces use different textbooks for the same subjects, we have in effect in Canada what amounts to ten different systems of education. This cannot be anything but wasteful and inefficient.

A second reason for direct federal involvement in education is the staggering explosion of knowledge. Let us put the increase in knowledge in historical perspective. The amount of factual knowledge accumulated from the birth of Jesus Christ to 1750 was doubled between 1750 and 1900. That is in just 150 years. Between 1900 and 1950 man's knowledge doubled again—this time in only 50 years. In one short decade between 1950 and 1960 it doubled again. At the present time it is estimated to be doubling every two and a half years and, if the present rate of increase continues, it is estimated that man's fund of knowledge will be doubling every three months by 1975.

Such a prospect staggers the mind, but when one considers that 90 per cent of all scientists who have ever existed are alive today, one can get some idea of the tremendous increase in knowledge that has taken place within the span of one lifetime.

How can any single province, even the richest, hope to cope with the problems inherent in the spiralling cost of education on the one hand and the explosion of knowledge on the other.

Hon. Mr. Flynn: Annexation by the United States might be a solution.

Hon. Mr. Carter: How can we meet the great challenges of the space age with a horse and buggy system of education? Personally, I believe that in order to tackle the job that lies before us Canada must develop a unified system of education, and this cannot be accomplished without the direct involvement of the national Government.

In addition to the skyrocketing of costs and the fantastic increase in knowledge already referred to, a unified system for Canada will have to take into account the following additional facts: First, the fact that it is possible for a child with normal intelligence to learn as much in the first nine years of his life as in the remainder of his life span. Secondly, there is in Canada an acute shortage of properly trained and experienced teachers, and on a per-student basis this shortage can be expected to increase rather than diminish. Thirdly, maximum use must be made of all the newest teaching techniques and equipment as they become available. This will include the use of radio, television, computers and electronic devices that will provide direct contact between a specialized teacher or groups of teachers in an education centre and the student in his class at school, or even in his home. This means a drastic revision and modernization of our existing systems from pre-school and kindergarten right through to the graduate level of the university and beyond.

In this new system one must expect greater emphasis on the true meaning of education; that is, the development of the talents and innate capacities of the child to the fullest possible extent rather than forcing facts and bits of unrelated information into the child's mind and enabling him to hold on to it until examination day, when he can pour it out again on paper and promptly forget all about it.

The universities too must become genuine centres of learning, where scholars can pursue their search for truth in the fields in which they are interested, rather than the glorified high schools which many of them now are. In many countries, universities have become centres of perversion, filth and lawlessness. This is particularly noticeable in our neighbour to the south, and while it may not be so widespread in Canadian universities there is evidence that the trend does exist. The concern voiced by Senator Quart last Thursday is most timely.

Today colleges and universities are offering a wider variety of courses than ever before. Improved educational technology is providing better teaching techniques, techniques unheard of even a few years ago. Social restrictions are out and student freedom is in. Co-educational living is becoming total from dining room to dormitory. Still, for an increasing number of students, in some cases the majority of students, college has become a drag—an unrewarding, unsatisfying, frustrating experience. Young people find life hopeless, purposeless and worthless. To an alarming degree college students in increasing numbers are dropping out, rejecting family, society, the world, and all too often abandoning life itself.

This phenomenon is very apparent in colleges in the United States, but it is not entirely absent in Canada either. It is clear that colleges and universities are not answering the big questions about life that the youth are asking. What is man? Where did he come from? Where is he heading? What is the purpose of life? Why is man making such a miserable mess of things? It is equally clear that college education is not helping them to solve their problems. It is not answering the big questions that would give them peace of mind. Neither is college giving them the solid practical guidelines for achieving successful happy lives. It is not pointing them towards any goal in life that is worthy of total commitment.

Clearly something is very wrong with our university education. There is a missing dimension. They are not turning out educated people. An educated person is not one with a head full of technical facts, not the suave sophisticate, not the shrewd wheeler-dealer with the mind of a computer and the tactics of a shark. The two distinguishing marks of an educated person are moral wisdom and moral courage—the moral wisdom to know right from wrong with absolute certainty and the moral courage to stand for what is right in the face of every obstacle. Our colleges and universities tend to mass produce clever specialists trained to function in narrow scientific or business fields. They are grinding out people who possess great technical knowledge and skill, but who are not balanced in their understanding or their approach to life.

Where is our present system of education leading us? Dr. Orley R. Herron, Associate Professor of Education at the University of Mississippi, answers this question as follows:

> It is paradoxical but true that there is a persistent but growing feeling that higher education is drifting towards purposelessness.

This quotation was taken from the February 1968 issue of *College and University Business.*

Dr. Robert M. Hutchins, former President of the University of Chicago, is more specific. In the *Human Dialogue,* page 322, he warns:

> If the object of education is the improvement of men, then any system of

> education that is without values is a contradiction in terms. A system that seeks bad values is bad. A system that denies the existence of values denies the possibility of education.

He then concluded:

> Relativism, scientism, scepticism and anti-intellectualism, the four horsemen of the philosophical apocalypse, have produced that chaos in education which will end in the disintegration of the West.

Clearly a crisis exists in education, though few seem to be aware of it. As far as Canada is concerned, an in-depth, nation-wide inquiry should be carried out by a royal commission, Senate committee or some appropriate body acceptable to provincial and federal authorities so that defects can be pinpointed and remedial action taken before it is too late.

Hon. Muriel McQ. Fergusson: Honourable senators, this bill, which provides for amendments to the Canada Student Loans Act passed in 1964, was thoroughly explained by Senator Cameron in his excellent speech when introducing the bill in this chamber. I do not propose to comment on these amendments other than to say I am pleased that such a substantial amount has been allocated for the loan year commencing July 1, 1970, and that in subsequent years the allocation will be increased according to the percentage increase in total post-secondary enrolment in that year. This seems to me a much more practical way of providing the amount of assistance in accordance with the size of the actual student population than the provision for escalation allowed in the act as it stands.

The studies of the Special Senate Committee on Poverty have made members of that committee very conscious of the fact that lack of education or training is one of the underlying causes of poverty. From briefs presented to that committee and from listening to evidence given to it by unemployed persons who are willing and anxious to work, the members have learned that lack of education and training is also one of the great causes of unemployment today. In fact, it is the under-educated and the untrained who make up the bulk of our unemployed. Lack of education and training is the cause of poverty. On the other hand, poverty is often the cause of many people being unable to secure education or training. This is a vicious circle that must be broken if we in Canada are going to make the best possible use of our human resources, as well as our physical resources. We will not be able to break that vicious circle until all Canadians are able to receive the education and training that will enable each one of them to make his or her maximum contribution to the life of Canada.

A person born into a poor or very large family, or in a region where educational facilities are poor, should not be deprived for that reason of enjoying the right to education or training. Nevertheless, in Canada many such persons are so deprived because he or she was born under the conditions I have described.

The Canada Student Loans Act, together with existing provincial legislation which provides for additional assistance, has made it possible for many thousands of students to receive post-secondary training and education which they otherwise could not possibly have received. In 1964, the first year of the operation of the act, 42,000 students received loans amounting to $26 million. In 1968-1969, 107,000 students received loans amounting to $66 million, and it is expected that this year the volume of loans could approach $90 million.

I had the privilege of introducing the Student Loans Bill in the Senate in 1964, and I remember well that the principal premise underlying the needs assessment in this legislation is that primary responsibility for meeting individual costs of post-secondary education lies with the student or his family. I am sure we all recall that at one time the responsibility for all education, elementary, secondary or post-secondary, fell on the parents. The responsibility for elementary and secondary education has now been accepted by the provinces, and it is my hope that eventually responsibility for post-secondary education will also become a public responsibility.

However, honourable senators, post-secondary education is not a public responsibility today, and I accept the premise that this responsibility at present falls on the student or his parents. I enthusiastically support the Student Loans legislation because it gives ambitious and responsible students an opportunity to secure post-secondary education or training, an opportunity which but for this legislation many of them would not have and without which they are at great disadvantage in our present day world.

There are some areas not covered by this legislation. I would like to refer to part-time students about whom Senator Cameron spoke in his introductory speech and about whom

both Senator Yuzyk and Senator Carter have spoken. I would like to see the provisions of the act extended to part-time students. Many people who must work to earn money to support themselves and their families are taking night classes. They are giving up summer vacations to attend summer school in order to secure a degree or certificate or other qualification necessary to achieve promotion where they are working or a better position elsewhere. It is well known that to acquire a degree at night school or summer school often takes 10 years or more. In this age of giving preference to youth—and this is so whether we approve of it or not—it often happens that the person who has worked so hard for so long to secure his degree or certificate finds he is competing for a position with younger persons who are equally equipped with knowledge and degrees, but only because of the help provided them through the Student Loans Act. The older person is placed at a disadvantage, and I feel that in all fairness some consideration should be given to providing financial help for him or her as well.

I am not sure if the summer school session would be considered as a semester. As you know, we are now able to give loans for semesters as well as for terms. This is one of the provisions of this bill. If a session in summer school is considered a semester, then I should think that the amendment contained in clause 2 would authorize loans to be made to those attending summer school for the purpose of obtaining a degree. I read the report of the committee of the other place which studied this bill, but I was not able to ascertain whether such a summer school session would be considered a semester. Perhaps we can find this out when this bill goes to a Senate committee. If a summer school session is not considered a semester, then summer school students who are working for degrees, as well as part-time students, would not be eligible for the financial assistance which is given to full-time students under the Student Loans Act. In all probability, summer school students and part-time students are in as great need, if not greater.

I am supported in this idea by an article which appeared in the Toronto *Daily Star* on May 14, 1969. It was written by D. McCormack Smyth, the retiring Dean of Atkinson College, York University. He was quoted as saying that student loans were inadequate and unfair. I will not deal with the inadequacy aspect, because probably that is being covered by the present amendment. In connection with the unfairness aspect, Mr. Smyth said:

> —the Canada student loans scheme is unfairly discriminatory. The reasons why part-time university students are not eligible for the loans are not clear. Perhaps they were excluded because many of them work and have incomes.
>
> Federal legislation helps all students with taxable incomes, whether or not they are full-time or part-time students. That same principle should be operative under the Canada Student Loans Plan, for the following reasons:
>
> 1. The latest Dominion Bureau of Statistics report giving details on the median family income of university students indicates that the family income of a student whose education was interrupted was $4,201 as compared with the family income of $5,921 for the families of students who had no interruption in their education.
>
> If the interruption in a student's education results in his being able to study only part-time, such a student is not eligible for a student loan.
>
> 2. Over the next decade, in Canada, it is likely that there will be little increase in the number of male workers in the age group 30-45.
>
> There will be heavy demands on the potential managerial and technical skills available in this important age group. The continuing education of people in this group will be a major social need. In order to insure that they continue their education, financial incentives are desirable.

According to figures from the Dominion Bureau of Statistics, full-time enrolment of students at universities in Canada for 1967-68 was 261,027. According to the report of the Canada Student Loans' Act for 1967-68, the latest report available, 70,126 such students received loans.

I have not been able to secure exact figures for the number of part-time students on the route to degrees, but the figures I do have indicate there are between 100,000 and 150,000 such persons. None of those are eligible for student loans under the act, and I feel serious consideration should be given to passing legislation to help these students.

I would also like to see provision for loans to women who are trying to get a degree through taking part-time classes or night

classes. Such provision would enable them to hire baby sitters to look after their children during their absence. Many brilliant women could and would take post-secondary education or training, preparing themselves for excellent positions that would well take care of their family responsibilities, if they could borrow the little money that would be necessary to pay someone to look after their children during their absence at classes.

Honourable senators may think I am straying into the welfare field here, but beyond any social significance, such provisions would produce much better trained and educated women. For years after their children have grown and left home, those women would be part of the labour market and would be able to support themselves. They would not be dependent on welfare, as they might be if they were prevented from taking adult education or training. Lacking that education, they might well become dependent even on public assistance. These women, if enabled to secure training, would be qualified to fill many Canadian requirements for trained, skilled and educated persons. There are many of those positions open and we are not able to fill them because we do not have in Canada a sufficient number of trained and educated people.

One thing I found surprising is the comparatively small number of loans granted under the plan to students attending vocational and technical training institutions. The 1967-68 report shows that, in addition to the 70,126 loans granted to students attending Canadian universities to which I referred, loans were granted also to students at teacher training institutions, vocational training schools and universities outside Canada. The total of all these was 91,626. Of this number, only 10,016 loans were granted to students attending vocational and technical schools.

With the increasing demand for persons with technical skills and the increasing number of such institutions which are giving this kind of training, I would expect that a much larger number of students applying for loans would be taking vocational and technical training courses to enable them to fill such positions. This is also something we could find out about in committee.

I realize that the provinces decide on who is going to receive the loans, but I am wondering if any special emphasis is put on having the students go to universities rather than to technical schools. It is something I would like to know.

[Hon. Mrs. Fergusson.]

Honourable senators, before closing I want to refer to criticisms that have appeared in the press and have intimated that students borrowing under the Student Loans Act are not living up to their obligations.

At the end of the fourth year of the operation of the act, which was June 30, 1968, the latest for which we have a report, 142,000 students had taken out student loans, and 66,400 had ceased to be students and had become responsible for regular payments of principal and interest. Most of these had taken a mature and responsible attitude towards payment, about 93 per cent of them meeting their obligations on a regular basis. Another 3.5 per cent had encountered difficulties, such as illness or inability to get full-time employment, but were able to make satisfactory arrangements with the lender for extension of time for payment. Only 3.5 per cent had tried to evade responsibility. They had done this either by moving away and not leaving a new address with the lender, or they had actually refused to enter into the new agreement with the lender—the consolidated agreement arranged for in the act.

Honourable senators, I am sure many of you observed that the press made a great deal of this in the fall of 1968, giving figures and intimating that the amount of loans outstanding was very high. But when you realize that the amount then owing had all been recovered except for the 3.5 per cent which was going to be recovered over a longer period, and that only 3.5 per cent was left—much of which has now been recovered—it seems that this is a very small figure, considering the 93 per cent who lived up to their obligations without any question whatever.

Hon. Mr. Martin: Hear, hear.

Hon. Mrs. Fergusson: I look forward to receiving the report of the student loans plan for the year 1968-69, which I think we will be receiving quite soon. I have every reason to believe that it will be just as good as the last one, if not better. I heartily support the bill.

Hon. Donald Cameron: Honourable senators—

The Hon. the Speaker: Honourable senators, I should inform you that if the honourable Senator Cameron speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Cameron: Honourable senators, first may I say I am delighted with the qual-

ity of the presentation in this debate on what is an increasingly important topic in Canada, education.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Cameron: It is also gratifying to realize that the topic education has been discussed in this chamber with increasing frequency in recent years, which is as it should be.

The loans to post-secondary education have been exceedingly productive. Many of you will remember what happened immediately after the war when loans were provided to enable men returning from the services either to start their university education or to complete an interrupted program. The results were spectacularly successful. I think the same can be said of this particular program.

I should like to comment on one or two of the statements made by my predecessors. Senator Quart referred to the need in universities for emphasis on greater standards, of higher quality in the universities. I should like to second that plea heartily. As one who has spent his life in education—40 years next May 15—I feel somewhat concerned when I see the attitude of certain students, particularly in the non-professional faculties, the sloppiness, and the lack of discipline, in both thinking and in action. I think this is a matter of serious concern and is one about which universities have been somewhat lax. I hope that in the future they will place more emphasis not only on the quality of education offered and on the methods of instruction, which I think can be greatly improved, as Senator Carter indicated, but also on certain standards which we expect from all university students and from whom we have a right to expect a high standard of conduct.

With respect to Senator Yuzyk's comments on the brain-drain, this is something we hear a good deal about, but the trend has been reversing itself in recent years. It has been reversing for two or three reasons. The main reason is that in Canada academic salaries have undergone a great upward revision in recent years. They now compare very favourably with salaries in academic institutions of comparable grade in the United States. Similarly, salaries in industry and in the public service in Canada have gone up, with the result that more of the people who went to the United States are returning. The point is that the people who do migrate to the United States are not staying as long as they used to and more of them are returning.

The second reason for the return to Canada of students at the post-graduate level is the increasing uneasiness about the social climate in the United States. Not only are students returning but I know of dozens of professors who have bought land in Canada because they are unhappy about situations in some of the American universities and they want to get away.

Then, coming to Senator Carter's remarks, I should like to emphasize that the Canada Student Loans Act was never intended to cover the complete cost of education. If we had the power to dip into a bottomless purse for funds, I do not think I would ever be in favour of giving a completely free program of education.

Hon. Mr. McDonald: Hear, hear.

Hon. Mr. Cameron: It is my experience that people do not appreciate what they get too easily. But more important than that is the fact that the student, the participant or beneficiary, must make some contribution, whatever it may be. So, instead of saying that every student in this country has a right to a university education, I would place the emphasis the other way and say that every student has the right to the opportunity for a university education, which is something quite different. And he is getting that opportunity through legislation such as the Canada Student Loans Act.

Senator Carter emphasized a good point, that the money did not come from the federal treasury. However, the federal treasury does pay the interest. Funds are provided through the standard loaning institutions, and I think the number of institutions may be extended in the next revision of the act.

Senator Carter also talked about the need for federal involvement in education, and I agree with that. I realize that there are constitutional problems. Over the years the federal Government has given great aid to various educational projects, and there was no problem as long as they did not refer to the term "education". I remember that the Canadian Youth and Vocational Training Act was given effect to in 1937; it was one of the first programs of the kind. It was certainly educational in the way it was applied, and there was no problem as long as they did not

refer to it as an educational program. My reaction was that I did not care what it was called as long as we got the money to achieve a certain purpose.

We are gradually improving the attitudes with respect to education at the federal level, and I expect that the day will come when we will have an arrangement whereby the federal Government may participate more openly and actively than it has in the past. It is doing a lot now, in fact.

Senator Carter referred to the high cost of education. I think there is no question but that we can get more effective value for the educational dollar than we are getting now. We can squeeze a good deal of fat out of many of the university programs without injuring the educational content in them. So, I have some sympathy for the provincial governments and others who are taking a hard look at education and are placing some ceilings on the amount of money provided for it.

Senator Fergusson raised an interesting question when she asked whether summer school courses could be taken as the equivalent of a university semester. I am surprised at the oversight in this respect, in that this has not been done before, because in terms of hours it is quite possible to get the equivalent of semester hours in a six-week summer session. I have done this in Banff for years. In fact, I have given more hours in a six-week course than has been the case in many of the two-course semester systems in many instances. This is an example of where the act could be amended with a great deal of benefit.

Also mentioned was the question of loans for teacher training. It is a deplorable fact that not a larger number take advantage of the program—that is, of teachers and students in technical schools. I think one of the answers to that may be that many of the provinces have had their own loan schemes for teachers ante-dating the Student Loans Act, and large numbers of teachers, going back to the late 1940s and earlier, were able to take advantage of this fact and were able to get their teacher training programs set up specifically to aid in teacher training.

To summarize, since this program was initiated in 1964-65, approximately 353,999 students have taken advantage of it at a cost of $227.7 million, or an average loan per student of $672. I think this has been a great investment for Canada and one which will pay dividends in the future in terms of very high percentages.

I hope that this legislation will come back next year for further amendment and that we will make provision to take care of the part-time students and the summer school students as well. I urge the passage of this bill.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

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

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE —ORDER STANDS

Leave having been given to revert to Motions:

On the motion of Hon. Mr. Martin:

> That the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

Hon. Paul Martin: Mr. Speaker, although I do not intend to proceed with this matter today, I revert to Motions now in order to call the attention of the Senate to the third report of the Special Committee on Statutory Instruments presented in the other place at the end of the last session. I consider that report to be valuable and I hope that honourable senators will find an opportunity to read it. I say this because it will form the basis of the motion which stands in my name in connection with the item now before us.

Honourable senators, I give this brief explanation, not because I intend to proceed with the motion at this time, but to call the attention of honourable senators to the existence of the report.

Order stands.

FOREIGN AFFAIRS COMMITTEE

AUTHORITY TO SIT DURING SENATE ADJOURNMENTS

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1)(h), moved:

That the Standing Senate Committee on Foreign Affairs have power to sit during adjournments of the Senate.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, February 19, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

COMPANY OF YOUNG CANADIANS

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-176, to amend the Company of Young Canadians Act.

Bill read first time.

Hon. Paul Martin moved that the bill be placed on the Orders of the Day for second reading on March 3, 1970.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Department of Indian Affairs and Northern Development for the fiscal year ended March 31, 1969, pursuant to section 20 of the Government Organization Act, 1966, chapter 25, Statutes of Canada, 1966-67.

Copies of Communiqué entitled "Statement of Conclusions" issued following the Federal-Provincial Conference held at Ottawa, February 16 and 17, 1970.

Copies of Report of the Tax Structure Committee to the Federal-Provincial Conference of Prime Ministers and Premiers, February 16 and 17, 1970.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move with leave of the Senate, and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, March 3, at 8 o'clock in the evening.

Motion agreed to.

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—DEBATE ADJOURNED

Hon. Paul Martin, pursuant to Notice, moved:

That the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

He said: Honourable senators, yesterday I took occasion to remind senators of the existence of a report presented in the other place on statutory instruments. This report will serve as part of my material in support of this motion that stands in my name.

The subject-matter of this motion is important. The laws of the land in one sense do not all derive directly from statute law. They derive, of course, from statute law passed by both Houses of Parliament, but also out of delegated legislation—that is to say, authority given in statute that will have the effect of law when acted upon by those responsible for the administration of the law.

There are also laws made by judicial process. We are not concerned with the judicial law making. It is important that the Senate should consider whether it is as functional a body as the other place in respect to supervising delegated legislation.

It would seem that in the light of the practice in the House of Lords and the Australian Parliament there is a special role for upper chambers in respect of delegated legislation. The Leader of the Opposition and I in discussing this matter have agreed as to its importance. Of course, it is not intended that we should resolve the matter today. He has intimated that at the conclusion of my remarks he proposes to adjourn this debate. That is satisfactory to me. I hope that what I say will serve to introduce the subject, and to remind senators of the opportunity and, indeed, the responsibility we have in connection with this matter.

In the first paragraph of the preface to the report it is stated:

> This report is based on the assumption that public knowledge of governmental activities is the basis of all control of delegated legislation. For parliamentary democracy is a system of government which requires that the executive be responsible to the legislature, and that both be accountable to the people, and that there can be neither responsibility

> nor accountability where there is no knowledge of what has been done. In political matters knowledge is the beginning of power, and its lack, impotence.

Any student of government in this country would agree with that as a statement of principle.

I will not say in what I submit today that every argument put forward on behalf of a review of delegated legislation by this committee will be concurred in by the Government. I am using this motion as a means of getting the whole question before the Senate in the first place through the instrumentality of the Standing Senate Committee on Legal and Constitutional Affairs. The Minister of Justice, when queried about the report on statutory orders tabled in the other place, indicated that the Government will examine the report. What I am seeking to do now is seize the Senate with the problem so that it can study and accept the recommendations of the third report of the Special Committee on Statutory Instruments of the other house, vary those recommendations, or produce an entirely new report which it believes conforms more specifically to the wishes of this chamber.

I believe that the report of the Special Committee on Statutory Instruments is a significant contribution to our knowledge of the process of regulation making. The pervasive effects of regulations in all aspects of Canadian life make it important that we understand these processes. Last year on several bills before the Standing Senate Committee on Banking, Trade and Commerce, exception was taken to the regulatory power which the Government was seeking in order to encourage effective implementation and to make more efficient the act under consideration by the committee. That kind of regulation is in part the subject matter of what is now under review.

Delegated legislation means the collection of non-statutory rules, regulations and orders made by the Government, by the Governor in Council, the Treasury Board, or other boards or commissions set up by Parliament. The problem of keeping Parliament and the public informed with respect to the large volume of this subordinate legislation, and providing opportunities for Members of Parliament to review such legislation, has long been discussed by governments in this and other countries.

I believe it would be worth while to review briefly what has been done in Canada at the federal level to find workable solutions to this problem prior to the formation of any permanent committee of this place, or of the other place, or jointly of both places, on statutory instruments. One of the purposes behind this motion is that the Standing Senate Committee on Legal and Constitutional Affairs would study the question, using reports available to it, or any other information, to enable it to recommend what should be the machinery to provide a parliamentary body with authority to supervise delegated legislation.

During World War II the Government passed orders in council directing that all orders, regulations and proclamations of a legislative or administrative character, which provided penalties, should be published. The procedures established during the war were continued by Order in Council P.C. 4876 of November 26, 1946, under the authority of section 30 of the Public Printing and Stationery Act, Revised Statutes of Canada, 1927, chapter 162, and carried forward into Revised Statutes of Canada 1952, chapter 226, section 9. That order in council, known as the Statutory Orders and Regulations Order, was adopted to elaborate by practical experience a method for dealing with delegated legislation that could later be embodied in the statutes. The original order was amended from time to time.

I should like to say by way of parenthesis that on several occasions Senator O'Leary—and I am not criticising him—has drawn the attention of the Senate to the existence of orders in council, and asked: What did we know about these orders in council? Were they being examined by any portion of this legislative body or the other house? During the course of this debate perhaps it might be possible for me to deal with that question. I simply want to say that most orders in council are required to be published and are published under the Regulations Act. There are certain exceptions, but rather than give the list today, I might be permitted to do so later during the course of the debate. Senator O'Leary and others will then have a chance to see whether or not the exceptions are warranted. If there is any justification, it may be urged for tabling orders in council, why then should there be any exemption under the Aeronautics Act or the Atomic Energy Control Act or the Defence of Canada Act, and so on. This is an argument to which I could address myself subsequently during the course of this debate.

Having mentioned Senator O'Leary, I should like to say that I am sure we offer him our warmest congratulations on the anniversary of his birthday today.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: The Regulations Act was passed in 1950, and its purpose was to ensure that all orders, regulations and proclamations made in the exercise of legislative powers delegated by Parliament were published, and also were tabled in Parliament in a systematic and unified manner. The act made tabling and publication compulsory, and it set out a system for tabling and publication. Its provisions, honourable senators will recall, were adopted after comparative studies of procedures in other countries, in particular the United Kingdom, and in the light of experience gained by Parliament with the workings of the Statutory Orders and Regulation Order which was in force during and after the war.

The definition of regulations in the Regulations Act was broader than in the Statutory Orders and Regulations Order. The Act required that all regulations be tabled in Parliament and published in Part II of the *Canada Gazette*. It did provide, however, that the Governor-General might by order in council exempt any regulation or class of regulation from the tabling and publishing provisions of the act, but any exempting order had to be published and tabled in accordance with the provisions of the act. Many regulations are exempted from the tabling and publication provisions of the act, such as administrative orders and rulings, directives to aircraft, vessels and vehicles and some rules of a temporary character and some for security reasons.

The intention of the act is to ensure that all regulations enforced are brought to the attention of Parliament and the public so that the public and Parliament are aware of that legislation and to put Parliament in a position where it may, if it wishes, ask the enacting authority to explain the reasons for the regulation, and take any other action it thinks necessary.

The provisions of the Regulations Act are under frequent review by the Privy Council Office and the Department of Justice.

Finally, because of the tabling requirement of the Regulations Act, Parliament is informed of the enactment of regulations and it may make inquiries with respect to them as it feels necessary. Either House of Parliament may take action at any time to investigate complaints with respect to the operation of any subordinate legislation or any delegated legislation.

Now, it is against this background of our practice that a committee in the other place was invited in September 1968 to do what I am now inviting this house to do, that is, to consider and report upon procedures for the review by this house of instruments made in virtue of any statute of the Parliament of Canada.

The report in question begins by asserting that as a general rule there should be public knowledge of the processes of delegated legislation before, during, and after the making of regulations, and that any derogation by Government from this rule requires justification.

In its own words, the committee has said that it stresses the principle of the responsibility of the executive to Parliament for delegated legislation as well as for the enactment of statutes.

The committee proposes to implement this principle in four ways. First, it proposes that the Government consult fully with the public and with parliamentary standing committees before making regulations. Second, it proposes an extension of the ambit of the present internal scrutiny of regulations by the Privy Council Office and the Department of Justice during the making of regulations. Third, it proposes full publication of regulations after they have been made with limited exceptions. Fourth, it proposes the establishment of a new parliamentary standing committee on regulations to provide for public scrutiny of those regulations.

As a member of the Government at this time I am not in a position to say that I agree with these proposals.

Hon. Mr. Flynn: Which proposals?

Hon. Mr. Martin: The four I have just enumerated. I am not saying that the Government will not support them. I am saying that I am not in a position at the present time to go further than I have. I say that a committee to which this matter will be referred will have the opportunity of making the same kind of review that was made in the other place. It may or may not agree with these four proposals, but it would be helpful for us to have the view of the Senate. The Senate has more time and in some other respects is the body best suited to be the examining agency. It may be decided that it could be

done by joint arrangement. I do know that in the United Kingdom, where they have made the greatest advance, the agency for continuing examination is provided by the Upper House.

The committee also dealt with the problem of making regulations. It recommended that the scope of the definition of "regulation" be extended to include many departmental directives and guidelines which previously had not been considered "regulations" at all.

The inclusion of the directives within the definition of "regulation" is important. I am sure we will agree, because such directives would be subject to the Regulation Act, which provides safeguards on the regulation-drafting procedures.

The committee took the view that the establishment of guidelines for enabling legislation which confers on the executive the right to make delegated legislation was important. These guidelines include such principles as, "the authority to make regulations should not be granted in subjective terms;" that "the precise limits of the law-making power which Parliament intended to confer should be defined in clear language;" and that "there should be no power to make regulations having a retrospective effect."

The committee next dealt with the problem of preliminary consultation. It suggested that regulation-making authorities engage in the widest possible consultation, not only with directly affected interest, but with the public at large.

In the section dealing with the drafting of regulations, the Committee on Statutory Instruments recommended the expansion of the legislative section of the Department of Justice. I pass no judgment on that at this time.

I might add here that one of the rare skills in the Government service is competent draftsmanship, and we all owe much to those few draftsmen whom we have. It is for this reason that the Minister of Justice announced the other day that his department is co-operating with the University of Ottawa Law School to provide training for draftsmen.

Hon. Mr. Flynn: I would suggest that often the draftsmen appear to be overworked.

Hon. Mr. Martin: There is no doubt that the draftsmen are overworked, and anyone who has sat in cabinet or in the legislative committee of the cabinet knows that that is the case. They are overworked. It is not easy to get draftsmen. They do a remarkably good job, given the circumstances under which they operate.

Hon. Mr. Flynn: They are difficult circumstances.

Hon. Mr. Martin: The committee dealt with the publication of regulations and recommended that all regulations, regardless of the regulation-making authority, be available for public inspection. I do not pass on that, either. It may be that there are some—there certainly are regulations which, in the interests of the security of the state, cannot at a given moment be available for public inspection. This is a supportable position to take.

The committee urged that a parliamentary committee be established to scrutinize all regulations and to refer them in some cases to other standing committees of Parliament for further consideration.

That committee would then be in a position to examine regulations on the basis of five suggested criteria. First, whether they were authorized under the terms of the enabling statute; second, whether they appear to make some unusual or unexpected use of the powers conferred by the statute under which they are made, even though they are technically within the four corners of the statute; third, whether the regulations infringe unduly on some civil right.

Hon. Mr. Flynn: I am sorry to interrupt the honourable Leader of the Government, but may I suggest to him that the first two problems that he has mentioned are dealt with very easily. For instance, clause 11 of Bill S-14 says that the Governor in Council may make regulations (a), (b), (c), (d) and (e) I quote:

> (e) generally, for carrying out the purposes and provisions of this Act.

In those general terms, with an over-all provision, it is very difficult to say whether a matter is within the framework of the act.

Hon. Mr. Martin: In principle that is correct. This is the kind of matter that was of concern to the committee on statutory instruments. I am sure that we would want to have the Standing Senate Committee on Legal and Constitutional Affairs examine this.

The fourth suggested criterion is whether the regulations have complied with the provisions of the Regulations Act with respect to transmittal, certification, recording number,

publication or laying before Parliament; fifth, whether the regulations are an abuse of power in so far as they could come into force before they are transmitted to the Clerk of the Privy Council or unjustifiably fail to provide that they shall not come into force until some later day; sixth and finally, whether for any particular reason their form or objective is vague and needs further clarification.

It is interesting to note that the two best-known committees on delegated legislation, those of the British House of Lords and the Australian Senate, are committees of the Upper Chamber.

Dr. Kersell is perhaps Canada's leading authority on the subject of delegated legislation. He is author of a book entitled *Parliamentary Supervision of Delegated Legislation*. At page 74 of that book he says it would appear from a comparison of the Australian Senate Committee and the British House of Commons Committee that, useful as the House Committee is, an Upper Chamber committee enjoys a number of significant advantages, even over a joint committee, which made it more effective. Undoubtedly the most important of these advantages is that its actions and utterances do not threaten the stability of the government. Thus the committee can be left free to scrutinize instruments on broad terms of reference, initially, perhaps, of its own choosing, which do not exclude substantive matters. Its reports, even when highly critical of the substance of delegated legislation are likely to be considered on their merits and not on party lines. The Australian Government has on at least four major occasions found it possible to meet the criticisms of the Senate Committee by making appropriate concessions rather than by "stone-walling" for a time before quietly implementing necessary changes.

A second chamber and its committees, in addition, are not as squeezed by clock or calendar as are a lower house and its committees. They are not as distracted by the urgencies of political and governmental problems. Their memberships include, in each of Britain, Australia and Canada, he adds, a generous proportion of able men, some of whom have had long executive and administrative experience. Particularly in Britain and Canada, but also in Australia to a considerable degree, there is in a second chamber committee the valuable element of continuity which is often difficult to maintain in the complexion of house committees.

[Hon. Mr. Martin.]

The question now arises whether a committee of the Canadian Senate could be as effective as that of the Australian House or the British House of Lords. I think it could. Dr. Kunz, whom we all know as a serious student of the Canadian Senate, in his book *The Canadian Senate—A Reappraisal*, has written that "the Senate could develop some effective and important means...of checking certain executive practices, especially in the sphere of delegated legislation."

Now, this chamber has from time to time, on an ad hoc basis, reflected in the amendments it has proposed to Government legislation a particular concern for the vesting of too much discretionary power in the executive through overly broad enabling legislation. Is this a valid contention? It is the kind of matter we might well examine.

Honourable senators may wish to consider these comments of mine and, after reflection, determine if this is a study which we should undertake. Is there a particular role for us in the light of the experience of other countries? In any event, the desire of the Government, the desire of Parliament and the desire of the Canadian people is to make sure that our laws are fully in keeping with the philosophy behind our form of Government in this free society.

I commend this resolution to the Senate. I hope that the Standing Senate Committee on Legal and Constitutional Affairs will be able to study this matter. If it does, I am sure we will have ample occasion in the weeks ahead to give full and competent consideration to this matter.

Hon. Jacques Flynn: Honourable senators, I wish to make only one comment at this time on the speech of the Leader of the Government on this motion. I join with him in complimenting Senator Grattan O'Leary on his birthday.

In respect of the motion, I reserve my comments except to say that I agree with it in principle. I should now like to move the adjournment of the debate.

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

RAILWAY ACT

BILL TO AMEND—THIRD READING

Hon. Hédard Robichaud moved the third reading of Bill C-11, to amend the Railway Act.

Motion agreed to and bill read third time and passed.

RADIATION EMITTING DEVICES BILL

THIRD READING

Hon. Hédard Robichaud moved the third reading of Bill S-14, respecting the sale and importation of certain radiation emitting devices.

Motion agreed to and bill read third time and passed.

LAND EXPROPRIATION BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Urquhart for the second reading of Bill C-136, respecting the Expropriation of Land.

Hon. Chesley W. Carter: Honourable senators, there is an old saying that fools rush in where angels fear to tread. As a layman following the learned representations we have heard from such eminent legal authorities as Senator Urquhart and Senator Phillips (Rigaud), I may be doing exactly that, particularly since I have not had the time to study the bill and prepare my remarks as thoroughly as I would wish.

Bill C-136 is a long and complicated bill, with some 44 clauses and three schedules covering 46 pages but Senator Urquhart gave us such a clear exposé in his introduction of this bill, even a layman such as myself can understand its main provisions. I join with those who have congratulated him on his brilliant and concise presentation.

Both Senator Urquhart and Senator Phillips (Rigaud) have called attention to the fact that this bill breaks new ground in that for the first time recognition is given to the rights of the ordinary citizen. It is this particular feature that appeals to me as a layman, as I am sure it will appeal to all ordinary citizens. Not only is it an exercise in participatory democracy, it is also an essential step towards creating a just society. In fact, when one comes to think of it, it is amazing that we have permitted such arbitrary legislation as the present law to remain on our statute books for such a long time, a law that permits the Crown to take a citizen's land without his consent, sometimes even without his knowledge, and to deny him the cost of litigation if he seeks redress through the courts; a law that permits the Government to abandon this land after expropriating it without any care or thought for the inconvenience or financial injury such action may have caused the owner. Such a law not only makes a mockery of democracy, it denies completely the importance of the individual which is the bedrock principle on which our democracy and democratic institutions are founded. That kind of law belongs to the totalitarian states, not to a democractic society.

In matters such as land expropriation, the ordinary citizen is at a tremendous disadvantage. It is a David-and-Goliath situation with the all-powerful federal Government with its strength, power, expertise and financial resources ranged against the individual citizen. And, honourable senators, most citizens are in the category we describe as "the little man", who is therefore completely helpless when it comes to protecting himself.

Bill C-136 goes a fairly long way to even up the contest although it is in some respects still heavily weighted in favour of Goliath. No doubt further changes will be required in the light of experience to achieve even greater equality for the individual citizen as against the Crown.

The purpose of this bill is to permit land expropriation to be exercised in such a way that the Crown will be able to discharge its two-fold duties of protecting the Canadian taxpayer from being gouged and at the same time ensuring that the party from whom the land is being taken is treated with fairness and justice. To accomplish this, the bill provides for a three-stage procedure as follows: first, the pre-expropriation stage; secondly, the negotiation stage; and thirdly, the litigation stage. I shall limit my remarks to the first and third stages.

The pre-expropriation stage provides for a public notice to be given of the Government's intention to expropriate. As other senators have pointed out, this in itself is a new departure, because under the existing law no notice at all is required. In clause 2 of the bill there is a provision that this notice may be sent to the individual concerned by registered mail or by being published in a publication that has general circulation in the area. The purpose of giving notice is to permit objections to be raised either by the owner of the property or by other interested parties. It is essential, therefore, that public notice be given by an advertisement in a publication. However, subclause 2 of clause 2 seems to require that this be done only if the address of the owner is unknown.

If the owner has objections, clause 7 says he must make these objections known to the Minister of Public Works within 30 days. The bill then provides for a public hearing as

outlined in clause 8. This public hearing is ordered by the Minister of Public Works who requests the Attorney General of Canada to appoint a hearing officer. This hearing officer is a very important official, and the only reference to his qualifications is the stipulation that he must not be a civil servant. I would have hoped, in view of his importance, that the qualifications of the hearing officer would have been defined in greater detail.

Such a public hearing could serve several good purposes. It could provide an opportunity to examine the Crown's objective in expropriating the land which, in turn, would expose how much thoughtful consideration had been given by the Department of Public Works to the necessity for taking the citizen's land. This, in turn, would act as a check on any hasty or sloppy work done by departmental officials. At the same time, it would ensure that no more land would be expropriated than necessity required. It would also provide an opportunity for objections to be stated by others who may be interested in the land from a public viewpoint, for purposes of recreation or conservation.

In any case, the Crown should be required to make its case for expropriating one particular piece of land, as opposed to any alternative pieces that might be suggested, and to explain in detail why it was needed and what use would be made of it. However, to do that, it would require the minister or his representative to be present at the hearing, as well as the objectors; but I have not seen any provision in this bill which requires the minister or his representative to be in attendance at these hearings. In my opinion, without that requirement the usefulness of the hearing will be greatly impaired, and neither the spirit of the legislation nor the intent of the hearing will be fully realized.

In connection with the sending out of notices—the notice of intent to expropriate, the notice of public hearings—the bill does not, in my opinion, make sufficient provision for owners who may be ill or out of the country at the time such notices are served.

With respect to litigation, the bill requires this to be handled by the Exchequer Court of Canada. Senator Pearson felt that it could be handled more expeditiously and with less cost to the litigant by the provincial, county or district courts. When this bill was under debate in the other place, many members were of the same opinion as Senator Pearson. Certainly, in line with the spirit of this act, and as an example of participatory democracy, it seems reasonable to me that this bill should at least provide the citizen with that option.

It was argued that the Exchequer Court was very slow in handling cases of this nature, and that while it might be convenient for Ontario and Quebec, it discriminated against litigants in the Atlantic and western provinces, in that it required the litigant to employ counsel in Ottawa as well as in his own province, which would add greatly to the costs.

This was denied by the minister. He held that district and county courts operated under different rules, which varied somewhat from one province to another, and would result in a lack of uniformity in decisions, which would eventually lead to appeals to the Supreme Court of Canada, and in the end the costs would likely be greater.

In favour of the Exchequer Court it was held that land expropriation is a specialized branch of law involving a wide variety of complexities requiring a great deal of expertise, especially in the assessment of land values. It would take the local courts several years to build up the necessary body of jurisprudence, whereas it already exists in the Exchequer Court, along with the necessary experience and expertise to ensure uniform decisions all across Canada, which, in itself, is an essential part of justice.

With respect to the filing of statements of claim, it was pointed out that the Exchequer Court has already become decentralized to a great extent, with registrars in almost every province, and that further decentralization is envisaged in legislation referred to in the Speech from the Throne—

Hon. Mr. Martin: And shortly to be introduced in either of these houses.

Hon. Mr. Carter: Yes—which will be aimed at streamlining the Exchequer Court to bring it more in conformity with present-day needs.

With regard to court hearings, the Exchequer Court goes on circuit, and it would not be necessary for a litigant in a western province to have his case heard in Ottawa.

Not being a lawyer, I am not in a position to assess the weight of these arguments, but in relation to costs, as I understand it, Bill C-136 provides that the citizen be reimbursed for costs arising out of his objections and also for costs incurred in litigation when he wins his case and secures an award greater than the Crown's offer. In addition, he is paid interest on the difference at the current rate of

short-term treasury bills, and if the Crown's offer does not exceed 90 per cent of the court's award, he gets an extra 5 per cent interest as a penalty bonus.

It is not likely that litigation will result when only small amounts—say, less than $5,000—are involved. When large amounts are involved—say, $100,000 or more—apart from the rights it gives to individual citizens, this bill may not provide any great advantage over the old law. People with that kind of money are usually able to take care of themselves. It is when medium amounts of money are involved that the usefulness and efficacy of this legislation is going to be put to the test.

Take a case where the Crown wants a piece of land which to the owner is worth, say, $10,000. That is not a very large piece of land by present-day values. A parcel of land of this value would most likely belong to a citizen we would refer to as "the little man", that is, one of that group of three million-plus taxpayers with a taxable income of less than $5,000. Suppose the Crown offers him $8,500. A loss of $1,500 is too great for him to bear. What will be his reaction? I would think that his first thoughts would be: Is it worth while trying to recover this $1,500 through the courts? Would the expenses incurred use up so much of it that the balance would not be worth the effort? Would his chances of success be better in a local court than in the Exchequer Court, even though it were on circuit and holding hearings in his province? How long would he have to wait for a final settlement?

My own opinion is that prevention is better than cure; that there should be some machinery, or some code of evaluation, either in the bill or appended to it as a schedule, that would eliminate any significant gap between what the Crown offered and what the land was actually worth to the owner.

In cases where this machinery did not work I should like to see some sort of a local appeal board established that would attempt to reconcile the amount offered with the amount asked, so that there would be an intermediate step between the negotiation stage and the litigation stage which would constitute a last resort.

Of course, I am speaking as a layman, and these suggestions may not be at all practical from the legal point of view. However, when this bill goes to committee I do hope that every part of it will be carefully analyzed from the point of view of its effect on citizens whose circumstances are such as I have used in my illustration.

Bill C-136 is not perfect. There will be other amendments to improve it as time goes on. But, in its present form it represents a giant leap forward in humanizing the present law and treating persons as human beings with rights instead of non-persons, as the present law does. Therefore, I give it my complete support.

Hon. Mr. Flynn: Honourable senators, I should say, in all fairness, that Senator Carter has delivered a very relevant speech today. I move the adjournment of the debate.

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

CRIMINAL CODE

PUNISHMENT FOR THEFT—BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. John M. Macdonald moved the second reading of Bill S-21, to amend the Criminal Code.

He said: Honourable senators, it is not my intention to speak at any length on this bill. Indeed, I think a short explanation is all that is called for as the provisions are almost self-explanatory.

The whole principle of the bill is contained in clause 1, which provides that section 280 of the Criminal Code be amended. The other provisions follow as a consequence of the amendment of section 280.

Section 280 of the Criminal Code was enacted in 1954, and it reads as follows:

> Except where otherwise prescribed by law, every one who commits theft is guilty of an indictable offence and is liable
>
> (a) to imprisonment for ten years, where the property stolen is a testamentary instrument or where the value of what is stolen exceeds fifty dollars, or
>
> (b) to imprisonment for two years, where the value of what is stolen does not exceed fifty dollars.

It can be seen that the only change which is proposed by the bill now before us is to move the dividing line, as it were, between a minor

and a major theft, from $50 to $200. Before the 1954 enactment there were various penalties provided for the theft of different articles. It was to eliminate these variations that a general penalty was provided in 1954 by section 280, and by making a distinction, as it were, between major and minor thefts a new principle of law was not being introduced. Such a distinction was in existence before 1954 and, I expect, for a long time before that year.

For example, a magistrate had a wider jurisdiction in theft cases when the value of the article stolen did not exceed $25, and there was an additional penalty provided when the valuation exceeded $200.

Honourable senators, I do not know why the dividing line between what might be classified as minor and major cases of theft was set at $50. It may very well be that due to the greater purchasing power of the dollar in 1954, something worth $50 was regarded as being expensive and valuable, and the theft of it was not only a heavy loss to the owner but a serious offence against society which merited severe punishment. In any event, whatever the reason was, I do not think this heavier penalty for theft of something worth over $50 can be justified today. I do not think it can be justified for two reasons.

In the first place, values have changed since 1954. The purchasing power of the dollar has decreased. Inflation has had a tremendous effect. The result is that the heavier and more severe penalty provided for theft when the value of that stolen is over $50 is now the penalty when the real value is considerably less. In other words, economic forces have changed this law and not the Parliament of Canada, and I believe this to be wholly wrong. If the penalty for theft, or for any other offence, is to be changed, then let it be changed by Parliament and not by the cold, inhuman, and ruthless action of economic forces.

Honourable senators, in proposing this change in the dividing line between the penalties for various kinds of theft, I have made no attempt to bring the $50 valuation in line with the present purchasing power of the dollar. Probably the exact change could be ascertained from the Dominion Bureau of Statistics, but I do not think that knowing it would serve any useful purpose. It may be that a valuation of $75 would be equal to the 1954 value of $50, but even if that be so I still think the dividing line should be at $200. This brings me to the second reason for wanting this change.

I do believe that since 1954 the attitude of society towards offences of theft without violence has changed. I do not claim to be able to prove this, but I do think that a study of the penalties handed down by the courts would confirm it. Indeed, our whole attitude towards punishment for crime has changed over the years. While I have left in Bill S-21 a distinction between the penalties for major and minor theft, I have also raised the dividing line between them. I must confess that the figure of $200 is an arbitrary one, the advancing of which I can give no good reason. It may well be that a higher figure should be substituted. I do advance this figure as at least a starting point, but I would be quite willing to accept a higher one if honourable senators feel the substitution should be made.

The amendments contained in clauses 2, 3, 4 and 5 of Bill S-21 are consequential on the amendments to section 280 of the Criminal Code. I will not discuss them now unless there are questions you would like to ask about them.

I feel that the amendments proposed by Bill S-21 are worthy ones and I recommend this bill to your favourable consideration.

Hon. Mr. McDonald: May I ask a question of the honourable senator? I missed the latter part of his remarks because I was in consultation with the Leader of the Government. Is it his intention to send this bill to committee if it receives second reading?

Hon. Mr. Macdonald: I believe that is desirable. I propose that it be sent to the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Martin: Senator McDonald knew it had to go to committee, but his regard for Senator Macdonald is such that he approached it indirectly.

Hon. Mr. Macdonald: I must thank the honourable leader for his remarks.

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

CANADA-SWEDEN SUPPLEMENTARY INCOME TAX AGREEMENT ACT, 1969

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

Second reading of the Bill C-156, intituled: "An Act to implement a Supplementary Income Tax Agreement between Canada and Sweden".—(Honourable Senator Martin, P.C.).

Hon. Paul Martin: Senator Benidickson has been called out on business. I therefore ask that this order stand.

Order stands.

The Senate adjourned until Tuesday, March 3, at 8 o'clock in the evening.

THE SENATE

Tuesday, March 3, 1970

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

Prayers.

TRIBUTES

THE LATE SENATOR JOHN WALLACE DE B. FARRIS

Hon. Paul Martin: Honourable senators, since we last met the Senate has lost one of its distinguished members in the person of Senator John Wallace de Beque Farris who died last week in Vancouver. Senator Farris was, as honourable senators are aware, one of the outstanding members of this chamber, and a man of considerable professional and political experience.

Senator Farris was born in White's Cove, New Brunswick, and after graduation from Acadia University and the University of Pennsylvania he moved to western Canada where he was called to the Bar of the Province of British Columbia in 1903. He had an outstanding career as a lawyer and as a participant in the public life of his province and of Canada. He was elected to the British Columbia Legislature in 1916 and held the offices of President of the Executive Council, Attorney General, and Minister of Labour in that province. His capacities as a lawyer were recognized when he was made President of the Canadian Bar Association, and recognition of his legal eminence was given when he was made an honorary member of the American Bar Association. He was also an honorary Bencher of the British Columbia Law Society.

Senator Farris was a member of the Senate for more than 33 years, an achievement of no ordinary distinction, and a record exceeded, I believe, by only one member of this house, Senator Aseltine. A man of eminent distinction and outstanding ability, the late senator made a major contribution to the work of the Senate. He was brilliant in debate; he was diligent and enterprising.

I knew Senator Farris through professional contact before his appointment to the Senate. I remember some of the outstanding speeches he made in this chamber, two of which I listened to, having to do with constitutional problems facing Canada.

To his widow and to his family I extend our deepest sympathy. I know that a grateful Canadian public will share these sentiments of regret.

Hon. Jacques Flynn: Honourable senators, John Wallace Farris was a man of fierce determination and bristling efficiency. He was a lawyer of significant accomplishments and a politician whose noteworthy success was never less than he deserved.

Before ill health intervened severely to limit the extent of his participation in the work of this chamber, Senator Farris had spared himself not one iota in energetically pursuing those same noble goals based on sterling principles which had first moved him to seek public office back in 1916, more than 53 years ago.

He was a man of great intensity and intellectual ability with very little patience for those less meticulous and perfectionistic than he. No problem he tackled received less than the full extent of his capacity. He gave unstintingly of himself and expected as much from others. Many members of this house remember some of his most penetrating and elucidative allocutions, and they will also recall that rarely did anyone cross swords with the redoubtable gentleman and come away unscathed.

Senator Farris was an honourable, forthright, and wise man, and an unquestionable asset to the country, especially to the Senate of Canada.

To his widow and his family, we on this side of the house extend our most heartfelt condolences.

Hon. John J. Connolly: Honourable senators, during adjournments of the Senate death seems to intervene to deplete further our dwindling human resources. It is well, I think, that we record the achievements of men who have brought distinction upon themselves and have shed lustre upon the work of this chamber. Such a man was Senator J. W. de B. Farris.

As the Leader of the Government has said, Senator Farris was originally a New Brunswicker, a self-made man if there ever was one, and a Canadian of great capacity and outstanding distinction. He died full of years at the age of 92.

It is correct to say that his first love was the law. He was for 67 years a member of the Bar of British Columbia. Essentially a court man, he became one of Canada's most emi-

nent counsel. From 1903, when he was 25 years of age, he was for three years the city prosecutor of Vancouver, and his pay was $75 a month. Leaving that work, he embarked upon a private law practice and became what is known as a labour lawyer and a defence lawyer in criminal matters. In other words, Senator Farris devoted his talents to the underprivileged and to the low-income groups. His practice was interrupted, as the leader has said, by an attraction to public life in the Province of British Columbia. On three occasions, in 1907, 1909 and 1912, he sought election, and each time was defeated, but he was elected at the age of 38 in 1916. For six years he was the Attorney General of British Columbia in the government of the Honourable John Oliver. Senator Farris was responsible in those early years of this century for the sponsorship of much social legislation, the Testators Family Maintenance Act, the Family Compensation Act, the Hours of Work Act, the Mothers Pensions Act and other similar legislation.

After six years in public life he resumed his legal career in 1922, when he was 44 years of age. For the rest of his life he was always primarily a lawyer. He had long experience before the highest courts of this land and only a few years ago he was still pleading cases before the Supreme Court of Canada. He appeared many times before the Privy Council, before our appeals to that eminent board were abolished. His first case in the Privy Council was in 1919, when he was the Attorney General of British Columbia. The case was the *Attorney General for Canada vs. Ritchie*. This was his first victory before the Privy Council. It is interesting to reflect that on that occasion his opponent was Sir John Simon and his junior was Jeffrey Lawrence, later Lord Oaksey, one of the judges who presided over the Nuremberg trials.

Thirty years later, in 1949, with his son John as his junior—a fact which I am sure gave him great pleasure and pride—Senator Farris was again before the Privy Council. Sir John Simon was now Lord Simon and presided over the case, and Lord Oaksey was a member of the Judicial Committee. His last case in the Privy Council was heard in 1951. On that occasion he appeared in two cases, one for British Columbia Electric, and in the following case for the Boilermakers' Union.

As the Leader of the Government has said, Senator Farris was a great constitutional lawyer, and in a 32-year period appeared in most of the constitutional cases from Canada to the Privy Council. He represented British Columbia in cases before the Judicial Committee on the Bennett New Deal legislation in the 'thirties.

He regarded as his greatest triumph the Esquimalt and Nanaimo Railway case in 1949. This established the constitutionality of British Columbia's right to tax the timberlands held by the Canadian Pacific Railway. This victory meant millions of dollars to the people of British Columbia, and it is noteworthy in the fact that he was successful before the Privy Council in having a unanimous judgment of the Supreme Court of Canada reversed. His achievement was described as a case of magnificent advocacy.

Like Sir Lyman Duff, Senator Farris was noted in the legal profession for his great courtesy to young lawyers whom he helped and encouraged on every occasion. As the Leader of the Government said, he was appointed to the Senate of Canada in 1937, at 59 years of age. That was a memorable year for him, because in that year he was also President of the Canadian Bar Association.

I think no discussion of our late colleague would be meaningful unless it recognized the great importance that his wonderful wife exerted upon him. They were a very happy couple. His wife was the daughter of a university professor, and had taught school for a number of years before her marriage. She was the first woman member of the Senate of the University of British Columbia, and the first woman member of the Board of Governors of that university, and for many years was secretary of the board. The important thing about the Farris connection with the university is that together husband and wife prevailed upon John Oliver, the then premier, to provide funds to establish the new site for the university on the magnificent Point Grey, so familiar to many honourable senators.

I remember when the bill was introduced to Parliament in which it was proposed that Canada should abolish appeals to the Privy Council. The bill was proposed by the party Senator Farris supported. But, here he showed his independence by opposing the measure and its principle because he thought so highly of the court. I remember, too, another occasion when there was a constitutional issue before the Senate. It was the second time that particular issue had arisen, after a number of years had intervened. In the first debate Senator Farris gave an opin-

ion; he also gave his opinion in the second debate. Senator Lambert, who was a great admirer of Senator Farris, with some trepidation decided that in his own lay mind Senator Farris had given one opinion on the first occasion and a different one on the second occasion. He charged him with this position, expecting to draw some fire. Senator Lambert was completely disarmed because after he said this Senator Farris rose in his place and said, "Which opinion did my honourable friend like best?"

Senator Farris, who was my room-mate, but not for long, loved this chamber and its work. His powers were very great. Senator Martin has referred to the speeches that he made over the years. I remember sitting in the gallery and hearing him make speeches, particularly during the war when I was with the Honourable Angus Macdonald at the Navy. I do not believe there was anyone in this chamber who commanded the respect this man commanded. I feel privileged to have been a member of this chamber with him, although I have not been here as long as Senator Hayden, Senator Aseltine and a few others who were here when Senator Farris was at the height of his powers. As the leader has said, he was a senator for 33 years.

Honourable senators, we shall not soon see his equal here again.

Hon. G. Percival Burchill: Honourable senators, I should like very briefly to add my tribute to those already paid to my friend and colleague, Senator Farris.

The Farris family was very prominent in the Province of New Brunswick in days gone by. Senator Farris' father, the Honourable L. P. Farris, was Chief Commissioner of Agriculture, as it was styled in those days. Today he would be called the Minister of Agriculture. He was in the administration in New Brunswick of the Honourable H. R. Emerson and the Honourable L. J. Tweedie. At that time my father was the Speaker of the Legislature, thus a great friendship grew up between the Farris family and ours which dates back to those days.

The late senator graduated from Acadia University and the University of Pennsylvania. His early education was taken at an institution in St. Martin's, which long ago passed out of existence.

The senator headed west to seek his fortune. He was accompanied by a man from Bathurst, New Brunswick, by the name of Alphonse Turgeon. Their destination was Regina. Turgeon went to Prince Albert. Farris' intention was to go to Battleford, but circumstances changed and he was enticed to go to the coast, to Vancouver where, as Senator Connolly said, he started in a very small and meagre way. Senator Farris often told me about the difficult times he had at first, but eventually he built up an enormous practice. The point I want to make is that the next time Farris and Turgeon met, one was attorney general of his adopted province of British Columbia and the other was attorney general of his adopted province of Saskatchewan. We all know that Turgeon became Chief Justice of Saskatchewan and later Ambassador to Ireland.

Therefore, I am grateful tonight for this opportunity, while paying tribute to Senator Farris, a distinguished son of New Brunswick, to link with him the name of another distinguished son of New Brunswick, Chief Justice Alphonse Turgeon.

Honourable senators, I do not intend to say more. Senator Connolly, Senator Martin and the Leader of the Opposition have given us an outline of the career of our late colleague in this house. To me, his speeches were powerful, brilliant and able. I remember very vividly the speech to which Senator Connolly referred, when Senator Farris attacked the legislation to terminate appeals to the Privy Council and to make the Supreme Court of Canada the final court. I also remember the speech of Senator Hugessen, made on the same occasion, when Senator Hugessen favoured the legislation. Those were two very able speeches.

As Senator Connolly has said, Senator Farris appeared in many cases before the Supreme Court of Canada. He was also well known and recognized as an able counsel in England on those occasions when he appeared on behalf of clients before the Privy Council.

Senator Farris was a very distinguished son of New Brunswick and one of Canada's greatest lawyers. When we both lived at the Chateau in Ottawa, we were indebted to the Farrises for their many acts of kindness and hospitality. So, my wife joins with me in extending to Mrs. Farris and the family our deep sympathy in their loss.

Hon. John J. Kinley: Honourable senators, we have listened with interest to the impressive tribute paid to our late colleague Senator Farris by the leaders of the chamber and by eloquent friends, Senator Connolly and his fellow New Brunswicker townsman Senator Burchill.

With the death of Senator Farris, it appears that I am the oldest active senator in the chamber at present.

Hon. Mr. Smith: For some time to come.

Hon. Mr. Kinley: To say anything more than what has been said, out of respect for Senator Farris would be like painting the lily, but because of my long association with and my esteem for him, I would like to make a personal tribute on this occasion.

Honourable senators, you have heard many kind things said about Senator Farris. I do not think I ever heard more said about a man in his presence than we have heard about him tonight. He deserved them all, and we of the Maritimes are proud to hear them said, because we believe he was a great Canadian. There have been many able men in the Senate in the past, but among them Senator Farris was a giant. Always outspoken in his opinion, there was never any question which side he was on in any debate. He was an orator of the old school.

Senator Farris will long be remembered here and in British Columbia for his public service through his representations in Parliament and in the legal profession. He was a composite of many good qualities: a fine-looking man, physically fit, and of a fine intellect.

The truism that with age comes wisdom and, with long life understanding, certainly applied to Senator Farris, who was in this chamber the exemplar of both those qualities. And we who are growing old may well take courage from that shining example in realizing that we can be of some use to our country, even if this is the day of the youth and we must look upon the coming generations to bear the burden of this country's efforts.

Distinguished as he was in the legislature of British Columbia, Senator Farris was of even greater service to the Senate of Canada. I think he would have agreed that there is no better place to learn than in a local legislature, where the members are close to the people and thus know more about the grass roots of politics.

There were few times in our long association that Senator Farris and I had differences of opinion. One was occasioned by a conversation we had with respect to the second vote in British Columbia. He thought that was a great achievement. I differed with him there, because I felt that you cannot hold two principles at the same time, and that is what is involved in the second vote. I believe he finally came to agree with me on that question. Another occasion of difference of opinion was the change from the designation of Dominion Day to Canada Day. Being a bit of an imperialist he did not like that change, and being solid in his opinions he did not hesitate to say so. However, it is a tribute to Senator Farris's attitude toward his colleagues that, although I disagreed with him quite strongly, it never affected our relationship.

I wish to join with other senators in expressing our sincere sympathy to the family of Senator Farris. Although his passing inevitably brings sorrow to them, nevertheless there should be some admixture of joy in that he had such a long and distinguished life. He was a man of wisdom, a man of action and a man of opportunity; like all great men he undoubtedly took great risks, and the greatness of his achievements was ample justification.

We are thankful when such a man is appointed to the Senate; we are sorry to lose such a man. Our hope must be that we who remain will be as constant, as good and as purposeful as was Senator Farris in his contributions to his province, to his country and to his Senate.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE PRESENTED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate a report of the Joint Committee on the Library of Parliament, dated February 26, 1970.

Honourable senators, when shall this report be taken into consideration?

Hon. Paul Martin moved that the report be taken into consideration at the next sitting of the Senate.

Motion agreed to.

CONSTITUTION OF CANADA

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered,—That a Message be sent to the Senate to acquaint Their Honours that the Members of the House of Commons on the Special Joint Parliamentary Committee on the Constitution of Canada will be Messrs. Alexander, Allmand, Asselin, Baldwin, Breau, Brewin, Dins-

dale, Fortin, Gibson, Hogarth, Hopkins, Lachance, Lewis, MacGuigan, Marceau, McQuaid, Osler, Ouellet, Roberts and Woolliams.

Ordered, that the message do lie on the Table.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-6, to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments, and acquainting the Senate that they have passed this bill with the following amendment, to which they desire the concurrence of the Senate:

Pages 64 and 65: Delete clause 53 and renumber clauses 54, 55 and 56 as 53, 54 and 55 respectively.

Honourable senators, when shall this amendment be taken into consideration?

Hon. Salter A. Hayden moved, with leave of the Senate, that this amendment be concurred in now.

He said: Honourable senators, I should point out that the proposed amendment involves the striking out of clause 53 in the bill in the form in which it was before us. In that form and when it was before us last year, clause 53 gave authority for life companies to guarantee student loans made by loan companies, trust companies and insurance companies. When the bill was re-introduced this session this clause remained in the bill, but in the meantime a decision was made by the Government to introduce these amendments as part of a bill to amend the Canada Student Loans Act, which we now have before us and which is presently standing for consideration in committee. There it becomes unnecessary and it is surplus to the requirements of Bill S-6. What was done in the other place was simply to strike out clause 53. The other amendment is simply to renumber the clauses that follow.

Amendment concurred in.

TRUST COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENTS PRESENTED—DEBATE ADJOURNED

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-8, to amend the Trust Companies Act, and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 40, Lines 1 to 13: Strike out and substitute therefor the following:

"(2) The company shall at all times retain in Canada assets at least equal to the aggregate of

(a) its liabilities in Canada;

(b) the guarantee trust money received and held in respect of its business in Canada; and

(c) the excess of the assets of the company over its liabilities less an amount equal to the greatest of the following:

(i) ten per cent of such excess,

(ii) a proportion of such excess equal to the proportion that the guaranteed trust money received and held in respect of its business outside Canada is of the guaranteed trust money received and held by the company, and

(iii) if the company is required to make investments outside Canada in order to comply with the laws of the jurisdictions in which the company is carrying on business, such amount, not greater than the amount required for the purposes of such investments outside Canada and not greater than the excess of the assets of the company over its liabilities, as may be approved by the Superintendent for the purposes of such investments outside Canada.

(3) The assets to be retained in Canada under subsection (2) do not include assets in the form of

(a) bonds, debentures or other evidences of indebtedness or shares of corporations incorporated outside Canada, and

(b) mortgages or hypothecs on real estate or leaseholds outside Canada or loans on the security of real estate or leaseholds outside Canada.

2. Page 40, Line 14: Renumber subclause (3) as (4)."

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

Hon. Salter A. Hayden moved, with leave of the Senate, that the amendments be concurred in now.

He said: Honourable senators, I should point out that in the Trust Companies Act in its present form a trust company is permitted to invest in or lend on mortgages on real estate in Canada and securities issued by Canadian corporations where those securities meet certain quality tests.

Under Bill S-8 it was proposed to give authority to federally-incorporated trust companies to do business outside Canada should they so desire, and the proposed section 68A, which is the subject of the amendments which have just been read, would enable them to invest in or lend on securities issued by corporations in any country in which they are doing business, provided that the securities meet the same quality tests as those which apply to such investments in Canada.

There was the proposal in sections 64 and 68 that would enable a trust company in the same way to invest in or lend on mortgages on real estate in any country outside Canada where the trust company is doing business.

Subsection 2 of section 68A of the bill when it was before us specified that a company must at all times retain in Canada assets equal to its liabilities and its guaranteed trust money received in Canada, and that foreign corporate securities or foreign mortgages would not be acceptable for that purpose.

When the bill was before the other place there was concern that no maximum limit was provided on the amount that might be invested in securities or mortgages outside Canada. Therefore, these amendments which have just been read were incorporated. They provide three tests, and the limit is the greatest of any one of the three tests. May I repeat them.

The limit of investment in securities or mortgages outside Canada by a trust company that must be doing business outside of Canada is the largest of: (a) 10 per cent of the capital and surplus funds; (b) a proportion of the capital and surplus funds equal to the ratio of obligations outside Canada to the total obligations; and (c) such amount as is required to be invested in foreign jurisdictions pursuant to the laws of those jurisdictions, but subject in this case to the concurrence of the Superintendent of Insurance.

The effect of the amendments is to put a limit on the amount of investment in securities or mortgages that may be made by a trust company where it is carrying on business outside Canada.

The comment I would like to add in connection with this is that at the end of December 1968 federally-incorporated trust companies had total capital, reserves and surplus amounting to $107 million. The total amount of funds received and held in the guaranteed trust funds amounted to $1,394 million. Since the Superintendent of Insurance feels it is unlikely that the volume of foreign business will ever amount to as much as 10 per cent of the total, the practical effect of the amendment is to put a maximum limit of about $10 million on the investment by trust companies in foreign corporate securities and foreign mortgages under the permissible clauses in this bill.

The view of the Superintendent of Insurance is that in practice he does not expect that all the companies will be interested in foreign business, and those that are will not likely do more than a very small portion of their business outside Canada. For that reason he has no objection to the limitation which was made, and there would appear to be some sense in making that limitation.

Hon. Jacques Flynn: Honourable senators, the explanation given by Senator Hayden sounds convincing; on the other hand, it is a rather complex problem. In order to give all members of the Senate an opportunity to read the amendments and the explanation of Senator Hayden in *Hansard* tomorrow, I move the adjournment of the debate.

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

LOANS COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENTS PRESENTED—DEBATE ADJOURNED

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-9, to amend the Loan Companies Act, and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 33, Lines 32 to 42. Strike out and substitute the following:

"(2) A loan company shall at all times retain in Canada assets at least equal to the aggregate of

(a) its liabilities in Canada; and

(b) the excess of the assets of the company over its liabilities less an amount equal to the greatest of the following:

(i) ten per cent of such excess,

(ii) a proportion of such excess equal to the proportion that the liabilities in respect of its business outside Canada is of the liabilities of the company, and

(iii) if the company is required to make investments outside Canada in order to comply with the laws of the jurisdictions in which the company is carrying on business, such amount, not greater than the amount required for the purposes of such investments outside Canada and not greater than the excess of the assets of the company over its liabilities, as may be approved by the Superintendent for the purposes of such investments outside Canada.

(3) The assets to be retained in Canada under subsection (2) do not include assets in the form of

(a) bonds, debentures or other evidences of indebtedness or shares of corporations incorporated outside Canada, and

(b) mortgages or hypothecs on real estate or leaseholds outside Canada or loans on the security of real estate or leaseholds outside Canada.

2. Page 34, Line 1: Renumber subclause (3) as (4)."

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

Hon. Salter A. Hayden moved, with leave of the Senate, that the amendments be concurred in now.

He said: Honourable senators, the amendments to bill S-9, proposed in the Commons, are of a similar nature to those proposed in connection with trust companies. However, there is this basic difference, that the mortgage loan companies already have authority in their hands to make loans on mortgages outside Canada in any place where they are doing business.

I should tell you that at the end of 1968 the total paid capital, reserves and surplus of federally-incorporated loan companies amounted to $155 million. The total deposits and debentures outstanding amounted to $1,690 million.

The interest of mortgage loan companies in doing business outside Canada I think can fairly be described as minimal. Therefore, the provision of this limiting amendment in relation to securities is not an onerous one and is perhaps an excess of caution. This is illustrated by the fact that although loan companies already have the power to invest in mortgages in every country in which they are doing business, no such company so far has begun to do business outside Canada.

[The Hon. the Speaker.]

Hon. Jacques Flynn: Honourable senators, since this bill presents the same problem as the previous bill, I suggest that we wait until tomorrow before concurring in the amendment.

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

PRIVATE BILL

PITTS INSURANCE COMPANY—COMMONS AMENDMENT—CONSIDERATION LATER THIS DAY

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-10, to incorporate Pitts Insurance Company, and acquainting the Senate that they have passed this bill with the following amendment, to which they desire the concurrence of the Senate:

Page 3, Line 7 (French text): strike out the word "cinq".

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

Hon. A. Hamilton McDonald: Honourable senators, I ask that this item be allowed to stand until later this day. Senator Lang, who is to speak to it, is attending a committee meeting and will be in the chamber later.

The Hon. the Speaker: Honourable senators, is it agreed that this matter stand until later this day?

Hon. Senators: Agreed.

QUARANTINE BILL

COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-12, to prevent the introduction into Canada of infectious or contagious diseases, and acquainting the Senate that they have passed this bill with the following amendment, to which they desire the concurrence of the Senate:

Page 11, Item 5 (French text): Strike out the words "fièvre typhoïde" and substitute the word "typhus".

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

Hon. Donald Smith moved, with leave of the Senate, that the amendment be concurred in now.

He said: Honourable senators, this is a very simple amendment. It will be recalled that the Senate dealt with this bill, the short title of which is the Quarantine Bill, not long ago, and at that time our honourable colleague on the other side of the house, Senator Sullivan, was of much assistance to us. However, he could not be expected to be an expert in all fields, including that of language.

The purpose of the amendment proposed by a committee of the House of Commons is to correct an error in the French text of a schedule to the bill. As amended, the French language version of this bill will have the same meaning as the English language version.

I do not think I need say more. This error was corrected by a motion of Dr. Haidasz, a member of the House of Commons from Toronto, and Parliamentary Secretary to the Minister of National Health and Welfare. This is one of those things which perhaps the French-speaking members of this house might have detected, but we do not have many French-speaking medical doctors in the Senate.

Amendment concurred in.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-12, to establish the International Development Research Centre.

Bill read first time.

Hon. Paul Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DEEP SEA FISHERIES ACT

BILL TO REPEAL—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-133, to repeal the Deep Sea Fisheries Act.

Bill read first time.

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

Motion agreed to.

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-134, to amend the Coastal Fisheries Protection Act.

Bill read first time.

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

Motion agreed to.

SALTFISH BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

Bill read first time.

Hon. Paul Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Post Office Department Report entitled, "A Canadian Public Address Postal Coding System", dated November 1969.

Copies of a Review of Federal Government Programs to encourage Research, Development and Innovation in Canadian Manufacturing Industry, dated February 1970.

Capital Budget of the National Capital Commission for the fiscal year ending March 31, 1970, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, as approved by

Order in Council P.C. 1970-198, dated January 29, 1970.

Report of the Department of Manpower and Immigration for the fiscal year ended March 31, 1969, pursuant to section 14 of the Government Organization Act, 1966, chapter 25, Statutes of Canada, 1966-67.

Copies of Report on Delivery Quota System for Western Canadian Grain, dated February 20, 1970.

Report on the operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1969, pursuant to section 9 of the said Act, chapter 28, Statutes of Canada, 1957.

Copies of Order in Council P.C. 1970-241, dated February 10, 1970, amending Part I of the Schedule to the Hazardous Products Act, pursuant to section 8(3) of the said Act, chapter 42, Statutes of Canada, 1968-69.

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 25, 1970, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

Report on the Administration of the Public Service Superannuation Act, Parts I and II, for the fiscal year ended March 31, 1969, pursuant to section 34, chapter 47, Statutes of Canada, 1952-53, and section 27, chapter 44, Statutes of Canada, 1966-67.

Budget Papers presented by the Minister of Finance for the information of Parliament in connection with the Budget for 1970-71, as follows:

Part I—Economic White Paper for 1970.

Part II—Review of Government Accounts 1969-70.

Report of Permits issued under the authority of the Minister of Manpower and Immigration of the year ended December 31, 1969, pursuant to section 8(5) of the Immigration Act, chapter 325, R.S.C., 1952.

TRADE AGREEMENT WITH U.S.S.R.

PROTOCOL TABLED

Hon. Paul Martin: Honourable senators, in accordance with the arrangements which were discussed here on December 16 last I wish to table the Protocol extending for a period of three years, with the exception of Article IX, the trade agreement between Canada and the Union of Soviet Socialist Republics of 1956. This agreement was signed at Ottawa on March 1, 1970.

In accordance with the arrangements referred to on December 16, and which I discussed with the honourable Leader of the Opposition prior to initiating the matter in the house, I wish to say that my colleague the honourable the Minister of Trade and Commerce has signed on behalf of the Government of Canada a Protocol extending for another three years, until April 17, 1972, the trade agreement between Canada and the Union of Soviet Socialist Republics, which was signed in 1956 in Moscow.

This Protocol is the fourth extension of a trade agreement which was first negotiated in 1956. That agreement provided a framework for the development of trade between the two countries on a most-favoured-nation basis. The renewal of this important agreement is indicative of the desire of both countries to maintain and strengthen commercial relations. When the trade agreement was first concluded in 1956, our mutual trade levels were very low indeed.

In the last 14 years, however, Canadian exports have amounted to $1.3 billion. Over the same period the Soviet Union has been a major customer for Canadian wheat, purchasing altogether more than 760 million bushels. The Soviet Union has also taken a wide range of other Canadian materials and manufactured goods, amounting to $5.5 million in 1968. Soviet exports to Canada have increased from $1.0 million in 1965 to $21.6 million in 1968, which is the last complete year for which official statistics are available.

The Minister of Industry, Trade and Commerce has commented in the following terms on negotiations which preceded the signing of the Protocol:

> —the Canadian and Soviet delegations reviewed the history of our trade in wheat. This trade has been mutually advantageous both in terms of Canadian capability of supply and recurring import needs in the Soviet Union. As regards the future, the leader of the Soviet delegation has provided the assurance that, when the Soviet Union has requirements for the purchase of wheat, the Soviet buying agency shall in the first instance apply to the Canadian Wheat Board.
>
> This ensures that the Soviet Union will turn to Canada as a preferred source of

supply of wheat when demand arises. We, therefore, anticipate that the U.S.S.R. will in the years ahead continue to be a significant market for Canadian wheat. As honourable senators are aware, the Canadian Wheat Board concluded a contract with the Soviet trading agency, Exportkhleb, last December extending the 1966 master contract, which will provide for continuing substantial shipments throughout 1970.

In addition to the discussions on wheat, the two delegations reviewed other aspects of trade between Canada and the Soviet Union and agreed that it would be desirable to expand and diversify trade in both directions. As a result of the discussions, the two parties looked forward to increasing opportunities for the sale of a widening range of materials, products and manufactured goods in each other's markets.

The Protocol indicates that the Government of Canada and the Soviet Union will facilitate trade between them within the scope of the laws and regulations in effect within their respective countries.

The Government is confident that the Protocol will provide the basis for an increasingly valuable trade relationship between Canada and the Soviet Union which will benefit all segments of the Canadian economy and our trade relations with the Soviet Union.

Hon. Jacques Flynn: Honourable senators, I wish only to say that I am pleased to second the motion of the Leader of the Government for two reasons. First, trade between Canada and the U.S.S.R. was one of the main topics of discussion of the Senate delegation to the U.S.S.R. last January. It will be interesting for the committee to consider this matter. The second point, of course, has been indicated by the Leader of the Government. It is the problem of at least the examination and the possible ratification of treaties by Parliament. The committee can look at this problem at the same time.

REFERRED TO STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS

Hon. Paul Martin moved, with leave of the Senate, and notwithstanding Rule 45 (1) (e):

> That the Standing Senate Committee on Foreign Affairs be authorized to examine and report upon the Protocol extending for a period of three years, with the exception of Article IX, the Trade Agreement between Canada and the Union of Soviet Socialist Republics of 1956, tabled today.

Motion agreed to.

OFFICIAL LANGUAGES ACT

APPOINTMENT OF COMMISSIONER—NOTICE

Hon. Paul Martin: Honourable senators, I wish to give notice that tomorrow, the 4th day of March 1970, I will move that in accordance with section 19 of an act respecting the status of the official languages of Canada, chapter 54, Statutes of Canada, 1968, 1969, this house approves the appointment of Keith Spicer, Esquire, as Commissioner of Official Languages for Canada.

MASS MEDIA

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

> That the name of the honourable Senator Langlois be removed from the list of senators serving on the Special Committee of the Senate on Mass Media.

Motion agreed to.

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF SENATE

Hon. Mr. McDonald, with leave of the Senate and notwithstanding Rule 45(1)(a), moved:

> That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 4th to 13th March, both inclusive, and that the committee have power to sit during sittings of the Senate for that period.

Motion agreed to.

INCOME TAX

TUITION FEE DEDUCTIONS—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, I wish to answer a question put to me on February 18 by Senator Grosart related to tuition fee deductions.

It will be seen that the advice now being given to the public by means of Information Bulletin No. 27 is no different from that which has been given to the taxpayer since 1966 in the guides which are forwarded to

assist him in completing his T1 Income Tax return. It follows that the interpretation and application of the law has not changed and that only the bulletin has been revised to bring it up to date with the information provided in other publications. However, the main reason for revising the bulletin at this time was to direct the attention of educational institutions to the fact that requests for certification under subparagraph (IV) of section 11(1) for 1966 and subsequent taxation years should be made to the Minister of Manpower and Immigration rather than to the Minister of Labour.

EXPROPRIATION BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, February 19, the adjourned debate on the motion of Hon. Mr. Urquhart for the second reading of Bill C-136, respecting the expropriation of land.

Hon. Jacques Flynn: Honourable senators, in this day and age, when the ubiquity of government has long since ceased to be a matter of levity and has become one of genuine concern, when the concept of inviolable individual rights seems to cling to life only very precariously, when the concept of private property has become for some demagogues a doorstep upon which to lay blame for all manner of social ills, and when the will of the individual is patently ignored in favour of the sacrosanct public interest as though he were not himself a member of that same public, it is good that a bill such as C-136, the Land Expropriation Bill, should come along to revivify some of those cherished principles which appeared to be on the verge of atrophying.

I consider this bill to be a salutary improvement over existing legislation. It goes without saying that the requirement of public notice of intention to expropriate will do much to remove the distasteful flavour of authoritarianism which characterized the arbitrary comportment of governments and their agencies in the past. Government should most assuredly have to explain and justify to the expropriated party its reasons for requiring that person's property. The fact that the expropriated party will have to be apprised of his right to contest the expropriation when he is notified of the intention to expropriate, and that he will be given 30 days to register that complaint with the minister, to my mind constitutes another noteworthy improvement over present conditions.

This bill contains many other exceptional ameliorations for which one can have nothing but praise. I refer to the following provisions:

(1) The hearing which will be given anyone who objects to being expropriated, with explanations being given if his objection is rejected.

(2) The notice of confirmation which must come within 120 days of the notice of intention, thus not keeping the expropriated party in indefinite suspense only to let him know in the end that the Government has changed its mind.

(3) The written appraisal which must be sent along with the expropriator's offer.

(4) The opportunity given the expropriated party to contest the offer in the Exchequer Court.

(5) The negotiation procedure established to assist in the resolution of disputes between the owner of the expropriated party and the Crown respecting compensation. There is an obvious attempt here to avoid costly court cases, and for this the minister responsible for the bill should be commended.

(6) The principles of compensation that are set down as a guideline. No longer is practical legislation in this area to be left up to, in practice, precedent—which means the Exchequer Court. Parliament will cease to eschew its legislative responsibilities.

(7) The care that has been taken to ensure that the expropriated party is adequately compensated, with all factors relevant to a compulsory displacement being assured of consideration by the statute. In most cases it would not be just simply to offer a man the market value of his property.

(8) The fact that tenants and holders of security and mortgage interests will have their rights expressly protected by the law.

(9) The provision made for supplementary compensation if the Crown requires the property sooner than 90 days after the offer of full compensation.

(10) The provisions respecting the abandonment of a project which under this bill will require the express consent of all the parties who had an interest in the land at the time the notice of expropriation was registered. In the absence of complete approval by everyone concerned, the Crown must pay compensation.

This bill has much to recommend it, honourable senators, and I am loth to find fault with it. However, my negative criticisms are few in number and may be due to misinterpretation on my part. I would invite the sponsor of the bill to correct me if I am wrong in singling out in this bill what appears to me to be some defects.

The first shortcoming, in my view, has to do with the cost of asserting objections in that same public hearing about which I was speaking. According to subsection 9 of Section 8, the hearing officer would be empowered to:

> —fix such amount, if any, as he deems reasonable, not exceeding such maximum amount as may be authorized by any tariff of costs prescribed by the Governor in Council for the purpose of this section—

As I see it, the Government is saying: "We think that it is very broadminded of us to not only permit you to disagree with us but to offer to pay your expenses; the least you can do is submit to our imposition of a few rules as to how and to what extent you may defend yourself." It would have been preferable, in my mind, for the authors of this bill to assure us that the tariff of costs would be munificent enough to cover all possible legal and expertise costs that a plaintiff may have incurred or may have to incur in presenting his case. Since the Government is the one initiating the action of expropriation, which results in these expenses being incurred by the expropriated party wishing to contest the expropriation, the benefit of the doubt should also be given to the plaintiff, and unless his action can be proven to be completely futile or taken in bad faith, all costs should be paid.

Senator Urquhart, in explaining the bill, said:

> The claimant will be entitled as of right to have the whole of his costs paid by the Government where the amount awarded to him by the court exceeds the amount of compensation offered to him by the Government, and in any other case the awarding of court costs will be at the discretion of the court.

This is not quite as rosy a picture as it might at first glance have appeared to be. The expropriated party who proceeds against the Government in good faith could end up being punished quite severely for having been wrong, and he may have been wrong in good faith.

The third problem I can see has to do with financial considerations. The bill admittedly states that an offer of full compensation has to be made within 90 days of the notice of confirmation. However, I can see nothing that would indicate how soon payment would be made, were the offer to be accepted. It is all well and good to say that a man can accept the offer without prejudice and take his case to the Exchequer Court, but unless payment is forthcoming immediately upon the offer being accepted to the extent it is made, the man may not have the funds to retain a lawyer to look after his case or to advance the funds to the experts which he has to hire.

Even if the expropriated party were satisfied with the offer and did not intend to proceed against the Crown, a provision should be written into the bill to ensure that he will be paid immediately. The reason is quite simple—a man whose home or business establishment has been expropriated will have to find another; a farmer whose field has been expropriated will have to purchase another piece of land elsewhere. The purchase of property requires cash—if not the complete amount, to be in a position to drive a better bargain. He certainly must have enough for the down payment.

The fourth point I should like to raise is in favour of the expropriating party—surprisingly enough, the Crown or one of its agencies.

The bill states that from the time of the notice of confirmation, the expropriating party has 90 days within which to offer an amount estimated to be full compensation. There are circumstances in which this delay would certainly not be sufficient for the Crown. Consider, for example, if the Crown decided to expropriate lands in downtown Montreal, land on which there were three or four large office buildings, all fully occupied. Three months would surely not be time enough to figure out adequate compensation for everyone with an interest.

Consequently, I feel that provision should have been made in the bill for a court to grant extensions to the expropriating party to this 90-day delay when the circumstances warrant such extension. I may say that I have had this expression of opinion from persons who have had some experience with expropriations made by the federal Government.

In closing, I say that in essence this is a good bill. It affords the individual a much greater degree of protection against the arbi-

trary power of government. It forces the state to act in a much less capricious and despotic fashion. Any improvement along these lines is welcome in this era, but I suggest that there may be further improvements to the bill when it comes before a committee. I hope that the comments I have made will be considered there.

Hon. John J. Connolly: May I ask the honourable gentleman a question? As I understand your third point, it is that on the occasion of expropriation, the expropriated party is made an offer by the expropriating authority and the proposal is that the amount of the offer should be paid forthwith.

Hon. Mr. Flynn: Yes, that he should be allowed to accept this offer without prejudice to his right to ask more before the Exchequer Court.

Hon. Mr. Connolly (Ottawa West): Supposing in that event he does proceed. This is not a question to provoke the honourable senator but I am sure he will understand. Suppose for the sake of argument that the court in its wisdom decides that the amount of the offer was less than the property was worth. The expropriating authority might then be in difficulty. I suggest that this might be discussed by the committee.

Hon. Mr. Flynn: I understand this is a problem, but I can hardly imagine that a court would find that the offer made by the expropriating party is excessive.

Hon. Earl W. Urquhart: May I add to what was said to that question? Clause 15 of the bill provides:

> Where an offer of compensation has been made to any person under section 14, the full amount thereof shall, forthwith upon the acceptance of the offer, be paid to that person.

Now, if the person accepts the offer it is an offer that is made without prejudice; it is an unconditional offer and does not prejudice the right of the person to proceed to get higher compensation, and the payment must be made forthwith. There is no reason why the person should not accept the offer.

Hon. Mr. Connolly (Ottawa West): Only in the event that the offer was accepted.

Hon. Mr. Urquhart: There is no reason why he should not accept the offer; it is not prejudiced.

[Hon. Mr. Flynn.]

Hon. Mr. Flynn: I accept the interpretation, but the situation is not entirely clear. When you accept an offer usually it is because you are satisfied with it.

Hon. Mr. Urquhart: That is not so in this case.

Hon. Lionel Choquette: I submit in this case, with all due respect, that when the word "accept" is used it means that the parties have agreed that a fair offer has been made and has been accepted, the amount offered is to be paid forthwith, and that is the end of the case. However, if the offer is turned down and a cheque is accepted, it is considered to be payment on account and the parties continue with their application. But the word "accept" there, as interpreted by the honourable senator, would mean that both parties agree on the amount offered.

Hon. Mr. Flynn: We will consider that in committee.

Hon. Rhéal Belisle: Honourable senators, as was very well explained by the mover of the bill, Senator Urquhart, Bill C-136 is a long and complicated measure.

May I congratulate the mover on the detailed explanation he gave. My appreciation goes also to Senator Carter and Senator Pearson. As laymen, I believe they did a very good service to this bill. Following the learned representation we have heard from such eminent legal authorities as Senator Flynn, Phillips (Rigaud) and Urquhart, I will try to explain the feeling of the individual and the respect and concern we should have for his freedom.

Expropriation is a flagrant example of a mindless disrespect for the individual. Personal freedom becomes meaningless unless it is buttressed by the concept of private property—something over which one has complete control of use and disposal. Freedom, in the briefest of its definitions, means the right to property. Under the present Expropriation Act, which has remained substantially the same since its enactment in 1886, the Canadian citizen does not really possess his house or land—he merely has conditional rights of use and disposal, on a sufferance that may be revoked by a government or by one of several government agencies, at will. The compensation paid at present is, in most cases, totally inadequate: but those receiving it are told to be satisfied, for it is only precedent and a wide interpretation of the law that require compensation to be paid at all.

In the common law provinces, no owner of land is entitled to compensation unless he can establish a statutory right. In other words, the onus of proof is on him to demonstrate beyond reasonable doubt that the Government or its agent does not have a right to expropriate without compensation.

In the past few years there has been a vocal and indignant reaction against expropriation. But few people have challenged the very right of Government to expropriate—that is, to take something forcibly, without asking the consent of the owner, and pay him whatever compensation they deem adequate. Should a private individual attempt to expropriate, the outcry would be deafening; but let the Government or one of its agencies do it—in the "public interest" of course—and it becomes incomparably laudable.

Under the present philosophy favouring public interest, it would almost appear as though the almighty public consists of the largest, most vocal or most powerful groups to which the sacrifice of smaller groups is quite legitimate. The homeowner, whose property is seized, is not considered part of the public. The record of expropriation should be studied meticulously, for I have a lurking suspicion that what is being done in the so-called public interest is not benefitting the public as much as it is a number of self-seeking public figures.

My personal study has been on an admittedly superficial level. But the examples have been so numerous and so manifest of government's dismal lack of initiative as compared with private enterprise, that there is no doubt in my mind that more can be achieved by private enterprise, without the coercive force of expropriation, than can be achieved by government and all its agencies with the hoary monster of expropriation in its arsenal.

Certainly Bill C-136 would give more protection to invididual rights than is provided for in existing legislation on this topic; and, for this reason, I will support it. But I reassert that very serious consideration should be given to the very moral legitimacy of expropriation. Expropriation carried on by a private entrepreneur would unhesitatingly be termed theft and an unconscionable use of economic force. Yet, when the expropriating is done by some government, no one questions its rightfulness.

The argument that what governments do with your property after they have expropriated it is invariably in the public interest, is absolute tripe. What we have here is another of these disgusting double standards, and people will never have respect for public authority as long as governments persist in not being themselves subject to the very rules to which they subject the conduct of others.

In one respect at least I must concede that this is an admirable bill: that is, in so far as it is an imitation of the Expropriation Act introduced in Ontario by the Robarts' Government in 1968. Out of its genuine concern for the rights of the individual, the Robarts 'Government introduced the concept of the "trial of necessity." This will, for the first time, enable the unfortunate victim of the government's appetite for land to challenge not merely the amount of compensation he could expect to receive, but the merits of the compulsory taking itself. This bold initiative on behalf of the individual, whose rights and liberties so often seem to shrink in the face of increase government intrusion into personal affairs, was worthy of imitation by the federal Government. I am glad to say that it has learned its lesson from the government of Ontario which, as we all know, is a government formed by that party in Canadian politics which has always been most zealous to protect the rights of the individual.

Hon. Mr. Martin: Good governments learn their lessons from any quarter.

Hon. A. Hamilton McDonald: Honourable senators, the only comment I have to make in this debate is that the Ontario legislation is patterned on the legislation which was first introduced in the Province of Saskatchewan by the present administration there.

Having said that, I would move the adjournment of the debate.

Hon. Mr. Belisle: Could the honourable senator refer me to the date of the Saskatchewan legislation, so that I can verify that it parallels that of Ontario.

Hon. Mr. McDonald: It was just prior to the Ontario legislation.

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

CANADA-SWEDEN SUPPLEMENTARY INCOME TAX AGREEMENT BILL, 1969

SECOND READING

Hon. W. M. Benidickson moved the second reading of Bill C-156, to implement a Supple-

mentary Income Tax Agreement between Canada and Sweden.

He said: Honourable senators, the title of Bill C-156 indicates its purpose. It is a supplementary amendment to a previously arranged agreement between Sweden and Canada with respect to income tax and the avoidance of double tax action. The original agreement was implemented in 1951. Most parliamentarians will be familiar with this type of legislation owing to the fact that we have agreements of the same nature with approximately 15 other countries.

The sole purpose of the new supplementary agreement is to change Article IX, the article dealing with the tax treatment of government remuneration. The request for this change came largely from the Province of Ontario because there were certain affected provincial officials who would have been subject to double taxation were it not for the agreement reached last October between the officials of Sweden and Canada. The amended Article IX provides an exemption from Swedish income tax in respect of remuneration paid by a Canadian province to a provincial public servant for services he renders to the province while he is resident in Sweden.

The supplementary agreement provides, as a measure of reciprocity, because Sweden is not a federal system like ours, that a similar exemption will be given by Canada for remuneration paid to officials of political subdivisions of Sweden. That would mean, for example, representatives of a Swedish city who are resident in Canada serving their local government in Sweden. The existing agreement provides a reciprocal exemption with respect to officials of national governments, not provincial or local officials, and that is the purpose, largely, of the amendment before us tonight.

The amendment set out in the supplementary agreement would bring the main agreement on this matter into line with the terms of most of Canada's other income tax agreements—and I mentioned that we had perhaps 15 of those—which contain an exemption for remuneration of provincial officials and, in some cases, for remuneration of officials of local authorities.

For Canada, the main effect of the new agreement will be to give tax relief to officials of provincial governments who are posted to Sweden by their provinces. In particular, it will help in the kind of case where a provincial official is resident in Sweden but is taxable by Canada because of our section 139 of the Income Tax Act. That section provides that a person shall be deemed to have been resident in Canada throughout a taxation year if he is the servant of a province and was resident in Canada immediately prior to appointment or employment by a province.

Without the protection of the supplementary agreement, both the salary and the allowances of such officials would be subject to Swedish income taxes, which are generally higher than Canadian; this would have the result either that officials serving abroad would get less take-home pay than if they were serving in Canada, or that it would be necessary for them to be given substantially higher salaries and allowances.

The supplementary agreement is to come into force after it has received legislative approval in Sweden and in Canada. I mentioned that it was negotiated by officials last October, but it requires legislative authority on both sides. I am informed that approval has already been obtained by the Swedish Riksdag, and all that remains is approval by this Parliament and exchange of instruments of ratification by the two governments. The agreement is shown in the appendix to the bill. If we approve the bill we approve the schedule, and in the schedule it is indicated that the exemption on the part of these provincial employees would be effective from January 1, 1968.

Hon. Allister Grosart: Honourable senators, on the face of it this is a very simple bill which need not take up much time of the Senate. However, I should like to make one or two comments about it. In the first place, we have before us a bill the purpose of which is to implement an agreement with another country. It is not called a treaty here but the authorities make it quite clear that there is not much distinction to be made between what are called treaties and what are called agreements.

This raises the interesting question of the lectures we have had from time to time from the Leader of the Government (Hon. Mr. Martin)—very good lectures they have been—to the effect that the Crown's prerogative, which is now exercised by the cabinet, is absolute. Of course it is not. I think this bill is one of many indications we have that that anachronistic theory has no real relevance to the Canadian situation today. We have here an agreement ratified in the normal way between two governments. It is ineffective in Canada until a bill such as this comes before

us to bring it within the ambit of the Income Tax Act and income tax laws. The honourable Leader of the Government shakes his head. If he will say to me that I am wrong, he will perhaps then explain to me why it is necessary to have this bill. Perhaps the honourable senator will discuss this when I am finished.

It is not an important point, but I should like to see us get away from this idea, this relic of the past, that the Government of Canada has the right to bind Canadian citizens willy-nilly by merely making a treaty or an agreement with another country.

Secondly, I should draw attention to the use of the expression "political subdivision" which occurs in several places in the bill. I have serious doubts whether this is a proper description of a province of Canada. I very much doubt that the provinces would accept this description of themselves as political subdivisions. The British North America Act would seem to make it very clear that the two jurisdictions, each within the area of its competence, are equal, and that the provinces are not, as the bill states, merely political subdivisions of Canada. I am sure my own leader on this side would agree with me.

The bill also deals with the avoidance of double taxation and, as the sponsor has pointed out so clearly, the purpose here is to deal with a very small situation, one that involves an employee of the Government of Ontario in receipt of income which, without the supplement to the agreement, would have made him liable to double taxation. For this single individual it is required that a bill go through Parliament.

Honourable senators will immediately recall a certain paper called the White Paper —one of many white papers but this is a White Paper to end all white papers—the White Paper on Taxation. It is interesting that this White Paper contemplates situations in which it is necessary for tax relief to be given for agreements or treaties to be made with far more than the 15 countries now covered by double taxation agreements. This brings to our attention the fact that this White Paper, which is not the subject of debate here but which is germane to this particular bill, now proposes substantial changes in our taxation laws which are going to require a fantastic number of bills such as this, not only to bring in the countries not presently covered by agreements on double taxation but also perhaps many individual cases such as this one. It is one example of the many absurdities in that paper.

Honourable senators, I close on a happier note. I note that the signature on the supplementary agreement is that of B. Margaret Meagher, which any Irishman would automatically pronounce "Ma-ar". Those of us who were on the Science Policy Committee had the great privilege of meeting our Ambassador, Miss Meagher, in Stockholm when we were there last year. At that time I discovered that she is a descendent of a great Irish rebel known as Meagher of the Sword who stood with D'Arcy McGee at the start of the rebellion of 1848 and who later went to the United States, commanded an Irish brigade in the American Civil War on the side of the north, and became deputy governor of Colorado where there is still to be seen a statue erected to the memory of "Meagher of the Sword". He is a direct ancestor of our distinguished ambassador, the signatory to this supplementary agreement.

Hon. Mr. Martin: Fighting to uphold the royal prerogative.

Hon. Mr. Pearson: May I ask the honourable sponsor a question. I see in the bill that the date is given as 1968 and I wonder why this is being made retroactive?

Hon. Mr. Benidickson: The reason is simply this: we are legislatively approving this retroactive aspect of it because it was part of the negotiations that took place between the Swedish and Canadian officials last October. If you accept the bill, you accept the schedule which in turn has reference to that date.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

ADJOURNMENT

Leave having been given to revert to Motions:

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Wednesday, March 4, at 2 o'clock in the afternoon.

Motion agreed to.

PRIVATE BILL

PITTS INSURANCE COMPANY—COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill S-10, to incorporate Pitts Insurance Company, which was presented earlier this day.

Hon. A. Hamilton McDonald: Honourable senators, on behalf of Senator Lang, I move that this amendment be taken into consideration now.

Amendment concurred in.

BUSINESS OF THE SENATE

Hon. A. Hamilton McDonald: Honourable senators, it would be helpful if we could have unanimous consent to have as the first item on the Order Paper tomorrow, Bill C-12, an act to establish the International Development Research Centre. Without moving a formal motion, may we have unanimous consent to place this item at the top of the list? It would be much appreciated by the Government Leader, having regard to other commitments he has later in the day.

Hon. Mr. Grosart: Notwithstanding?

Hon. Mr. McDonald: Notwithstanding the appropriate rules.

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 4, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

PRIVATE BILL

NATIONAL FARMERS UNION—FIRST READING

Hon. A. Hamilton McDonald presented Bill S-22, to incorporate the National Farmers' Union.

Bill read first time.

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADA STUDENT LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-135, to amend the Canada Student Loans Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE BILL

SECOND READING—DEBATE ADJOURNED

Hon. Paul Martin moved the second reading of Bill C-12, to establish the International Development Research Centre.

He said: Honourable senators, in moving the second reading of this bill I recall that twenty years ago Canada acknowledged its responsibility to the developing countries of the world. My judgment is that since then we have striven to fulfil these responsibilities to the best of our ability. Through the Colombo Plan and subsequent arrangements we gave assistance to a number of programs to which, hopefully, we made meaningful contributions.

Ten years ago the External Aid Office, as it was then known, was established to broaden, intensify and co-ordinate our external aid policies and programs. As honourable senators know, that office has been renamed the Canadian International Development Agency. This designation was applied in 1969. The idea of a Canadian-sponsored international development research centre was first brought to my attention about three years ago, by the present director, Mr. Maurice Strong. I mention this only because I have been associated with it and because I have, with others, devoted an appreciable amount of time to its conception. I felt that the idea was a good one and, as the then Secretary of State for External Affairs, I did what I could to encourage my colleagues in the Government to support the idea. It was felt that it would be desirable for Canada to take the initiative in establishing a special program of research and development in relation to problems of international economic and social development, taking into account its importance to our country generally and our role in external aid.

Undoubtedly the centennial year and the flurry that accompanied it had something to do with the idea, for we did through the Expo concept promote Canadian know-how and artistic talent which provided the spark that in turn generated many new ideas in this country. Suggestions poured forth that Canada should establish a world university, an international centre of knowledge, an institute for the advancement of man, an international centre concerned with the problems of the less fortunate nations of the world. Something was destined to emerge from these suggestions as our unique contribution to mankind in that very special year.

By the late spring of 1967 the concept of an international centre had evolved to the point where the then Prime Minister, Mr. Pearson, conveyed the idea publicly in a speech at Carleton University on June 8. He said in part:

> If free civilization is to survive and grow, we must very soon find vastly improved methods for extending the benefits of modern existence to the whole world community of man... One idea for a new Canadian initiative in meeting this challenge that should be considered, is for the establishment of a Centre for International Development... Perhaps it will now prove possible for us to add a new dimension to our modest role in

the world community by providing for a sharpened focus on the challenge of international development facing every country.

Now the present Government presents to the Senate a bill proposing the creation of the International Development Research Centre. This bill was unanimously passed in the other place, and it is now our opportunity to guide it, if we will, in its final stages, and to provide the centre with its own mandate, that is to say, to pursue the objectives Canada has set for it. In the main, they are:

—to initiate, encourage, support and conduct research into the problems of the regions of the world and into the means for applying and adapting scientific, technical and other knowledge to the economic and social advancement of those regions, and, in carrying out those objects

(a) to enlist the talents of natural and social scientists and technologists of Canada and other countries;

(b) to assist the developing regions to build up the research capabilities, the innovative skills and the institutions required to solve their problems;

(c) to encourage generally the co-ordination of international development research; and

(d) to foster co-operation in research on development problems between the developed and developing regions for their mutual benefit.

Honourable senators will note that section 4 of the bill sets out the objects and powers of the centre. Subsection 2 of that section outlines the powers of the centre, designed to give effect to these objects. The nature of these powers describes the purpose and character of the centre.

There has been a great deal of careful planning and negotiating, conducted under the direction of the President of the Canadian International Development Agency, acting on behalf of the Government. It is now our opportunity to give final assent to this bill, if we are so disposed, to ensure that the goals proposed for this new Canadian venture are achieved through a dynamic and bold concept dedicated to real improvement and progress in the field of international development.

The potential aspect and impact of this proposed centre could be far reaching. It could revolutionize the established patterns of development. By providing for a self-help and multi-disciplinary approach to problem-solving, it will be possible for this centre to open avenues which will add new dimensions to our traditional development procedures.

A great deal of the technology of today is being produced as a by-product of the space race and the nuclear arms race, in neither of which Canada is playing a leading role. There is increasing recognition, however, that insufficient attention or priority is being given to the application of the latest technology and techniques to the problems of man's economic and social development. I believe that this is an area in which Canada is uniquely qualified to make a contribution.

As the Government sees it, there is need today for new international and inter-disciplinary institutions for relating the latest technology and techniques to the problems of international development. No single institution has yet been established as the internationally recognized focal point for meeting this need. There are institutes with limited objectives in the United Kingdom. There is one at McGill University under Professor Breecher, but these are not as comprehensive in their scope as what is intended by this bill.

The preliminary investigations indicate, I believe, that there is strong support for this idea among leaders in the international community, not only in the developed but in the developing nations. This bill offers an appropriate opportunity for a useful Canadian initiative. This initiative will receive strong support, I believe, from the World Bank, UNESCO, the International Monetary Fund, the Asian Development Bank, the Inter-American Development Bank and the OECD.

The Centre for International Development should attract the most eminent and competent people in the fields with which it is concerned, not only from Canada but from all parts of the world. I believe that this will be accepted by the Canadian university community as a useful and desirable complement to their own role in the field of international studies, rather than as a competitor.

As is revealed in the Report of the World Bank Commission on International Development, "Partners in Development", under the chairmanship of the former Prime Minister, the Right Honourable Lester Pearson, the developing countries are going through a period of self-analysis and therefore could be receptive to Canada's newest contribution to international development.

That commission observed:

—aid suppliers should devote a significant share of their research and development resources and facilities to projects specifically related to problems of developing countries.

The Commission argues that by 1972 such expenditures should reach 5 per cent of all public expenditures for the industrialized countries for research and development, of which at least half should be put to work in the developing countries. The United Nations Advisory Committee on the Application of Science and Technology goes even further. It proposes that donors be asked to allocate 10 per cent of their research and development resources to projects of concern to lower income countries, and an additional 5 per cent to help create an institutional infrastructure for science and technology in these countries.

I believe that Canada is fortunate, that we are in an enviable position to sponsor the creation of such a centre. We have charted a course in international pathways which has been accepted and respected by most nations. In doing this we have retained the confidence of both the emerging and the developed nations of the world. The establishment of the International Development Research Centre can therefore be viewed from the outside as our pledge to the betterment of humanity, in this inter-dependent world where the standards of living over 75 per cent of the people are far below that of the countries in the developed parts of the world.

The funds required to finance the centre's operation and programs will come out of Canada's international development allocation. My colleague the Secretary of State for External Affairs envisages the allocation of as much as 5 per cent of our total development aid funds to the centre. The Government is prepared to allocate not less than $30 million for the administration and programs of the centre over the first five-year period. Roughly one-third of this would be for headquarters operations, and the remainder for programs to be carried on outside headquarters.

The centre will be, as he said, problem-oriented. This means that the centre's job will be to define specific problems in developing areas, and to provide the resources, both technological and human, necessary to be applied towards a solution. In this way the centre will not be a traditional aid institution nor a traditional research one. The centre will determine specific areas of research priority, will design programs for related research projects and test the results of these findings. It will not be concerned with dispensing aid, but rather with ways of making aid effective in terms of present-day expectations.

The developing countries themselves will never be adequately helped by a simple transfer of wealth. It is necessary to bolster and build their economies. This cannot be done unless we are prepared to help them develop indigenous capabilities resulting in levels of wealth which will open for them the doors to international trade and the community of mankind.

The widening gap between the economically developed and the less economically developed worlds is, in reality, a science and technology gap. We of the developed world have sufficient knowledge of the tools offered by science and technology to apply them to our peculiar development problems, but this same science and technology must be made adaptable before it can be of benefit to the developing countries. If not, it remains of little use in fact.

As the concept of this centre was taking shape, national and international individuals and institutions gave willingly of their time and resources to assure its establishment. With their further enthusiastic support and participation I believe that the centre has every chance of becoming a truly international institution for development and one of which this country may be proud.

Bill C-12 was well prepared, and its permissive powers offer a mandate for action which I think the Secretary of State for External Affairs was justified in characterizing as exciting. Both the challenge and the opportunity are now ours, and many eyes will be upon Canada with respect to the identification of effective programs of action.

I am confident that those who will be chosen by the Government to lead this centre into action, once the bill becomes law, will not let us down. The problem of assistance to underdeveloped countries is one of the foremost obligations of the modern state. On the more fortunate countries like Canada the responsibility is particularly heavy. At the end of twenty years, this bill represents an initiative that will give meaning to these programs of development assistance, will make them more productive and will help avoid some waste, while giving additional purpose to the drive that has now seized the international community to do its utmost not only by bilateral giving but by technological export,

and by trying to remove from the underdeveloped portions of the world those conditions of underdevelopment which undoubtedly play their part in the unrest which we find all about us.

These are some of the reasons, honourable senators, which I put forward in support of the motion for second reading of this bill.

Hon. Allister Grosart: Honourable senators, it is my intention to move the adjournment of the debate, but before doing so I should like to make one short comment and direct one question to the Leader of the Government. The comment is that, although Senator Martin has been extremely modest in describing his part in it, it is highly appropriate that he, as Leader of the Government, should have introduced Bill C-12 in the Senate because of the very important role he has played in bringing about the legislation. It has not come about suddenly; it has taken a long time for Canadian official public policy to reach this important point. In my view, if the honourable Leader of the Government had been able to follow through his initial interest in this bill, it would have been a much better bill than it is, but I shall reserve my comments on that point until later.

The question I should like to ask is this. Would the honourable Leader of the Government tell us who will be the minister referred to in clause 22 to whom the chairman of the centre shall report?

Hon. Mr. Martin: May I say in answer to this question that I think it is a good bill.

Hon. Mr. Grosart: That was not part of the question.

Hon. Mr. Martin: I think the present Secretary of State for External Affairs has done a commendable job—no one could have done better.

The present Secretary of State for External Affairs will be the minister reporting to Parliament. However, I would call my honourable friend's attention to section 2 of the Interpretation Act which defines "Minister" as "such member of the Queen's Privy Council for Canada as is designated by the Governor in Council to act as the Minister for the purposes of this Act."

This formula is now being employed in all acts. Instead of designating a particular minister, this general language is used anticipating that in the process of government reorganization it is difficult, unless there is this generality of language, to designate precisely who it will be. The present intention is that the Secretary of State for External Affairs will report to Parliament.

Hon. Mr. Grosart: The act is unusual in that there is a reference to the Minister of Finance in subclause (4) of clause 20. The one and only reference to "the Minister" is in clause 22.

I might add that a further reason for my asking the question is that other suggestions have been made in the discussions to date and in recommendations made by the committee of the other place.

Hon. Mr. Martin: I presume my honourable friend is referring to the committee's recommendation in the other place that a member of the board should be a Member of Parliament. That of course is a permissive clause. If that is not what the honourable Senator Grosart was referring to, perhaps I have not fully understood his intervention.

Hon. Mr. Grosart: May I explain my intervention by saying that I thought it might refer to the "Minister of Science."

Hon. Mr. Martin: My honourable friend is thinking in terms of the Science Policy Committee and not in terms of the responsibilities of government.

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

EXPROPRIATION BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Urquhart for the second reading of Bill C-136, respecting the expropriation of land.

Hon. Salter A. Hayden: Honourable senators, there has been substantial debate on this bill in this chamber. It has ranged over all the important details of the bill, and I hesitated for a long time before deciding that I would speak.

However, during the long years of practice of the law I have been in many expropriation cases under the then existing law both in Ontario and elsewhere in Canada, and not only in cases before the courts, but also in negotiations that ultimately were concluded without having to go to the courts. So I can testify to the many hours that have been consumed in attempting to resolve what appeared to be the difficulties and confusion that have developed as to what was the real

formula that should be applied in arriving at value.

It has been said in some judicial decisions that compensation claims are statutory and depend upon statutory provisions. This is under the law as it existed before the new Ontario act and before this bill was introduced, but if one reads through the cases one will find that the principles and the rules which came into play in determining due compensation were to be found really in the decided cases.

Now we have in the Ontario act, which is an existing statute—and we will have in this bill, when it becomes law—codes of rules for compensation. Perhaps, since these codes are so specific, the principle which runs through some legal decisions of years ago may become true in fact and in law, and that the principle in determining compensation is that "compensation claims are statutory and depend upon statutory provisions."

I had intended to say something about compensation and to make a comparison of the Ontario act and this bill, but as this subject has been thoroughly developed by those who have preceded me, I am not going to be repetitious.

I should point out, however, that the Law Reform Commission in Ontario, presided over by Mr. Justice McRuer, did recommend in one of its reports

> that the "value to the owner" test be abandoned in favour of a formula by which the compensation is arrived at by the making of separate assessments of (1) the market value of the interest expropriated; and (2) the damages attributable to the expropriation.

When you read the particular sections of the Ontario statute and the particular clauses in this bill, you will find that principle has been recognized and adopted both in the Ontario act and in this bill.

That is all I have to say about the question of compensation, not because I am not ready to say more, but I think I would be presumptuous in attempting to tell you what you have already been told by the previous speakers.

I should point out, however, that the doctrine of what they call equivalent reinstatement has been recognized. In the Law Reform Report of Mr. Justice McRuer the equivalent reinstatement principle was put in this fashion:

> Reinstatement means placing the owner from whom the property is taken in a substantially equivalent position by means of substituted property. Where this principle is applied, in expropriation proceedings the desired result is generally achieved by providing the owner with the funds to reinstate himself.
>
> The doctrine of equivalent reinstatement was developed at common law in order to do justice where the ordinary methods of valuation would not provide adequate compensation where there was no market for property owing to the particular purpose to which it was put. Land used for churches, schools and hospitals has been treated in this way. The doctrine is at present part of the law of Ontario.

The Law Reform Report accordingly recommended that:

> —where land is devoted to a purpose of such a nature that there is no general demand or market for land for that purpose, compensation be paid on the basis of the reasonable cost of equivalent reinstatement. Such compensation should be paid only when the owner has a bona fide intention to relocate.

This was incorporated in the Ontario Statute, and it has also been incorporated in the bill before us.

However, I would like to direct your attention to a question that bothers me a little namely, the scope of the inquiry, because both the Ontario act and this bill provide for an inquiry at a stage when there is an objection by the person whose property it is intended to expropriate, and for an inquiry officer.

In the Ontario act, section 7(5), this is the scope:

> The hearing shall be by means of an inquiry conducted by the inquiry officer who shall inquire into whether the taking of the lands or any part of the land of an owner or of more than one owner of the same lands is fair, sound and reasonably necessary in the achievement of the objectives of the expropriating authority.

This section apparently embodies the recommendation made in the McRuer Report, that the merits of the expropriating authority's general policy should not be considered relevant in the inquiry. It is only, as the report says, the "taking of the land"—that is why I put particular emphasis on those words in the Ontario act—which is the object of the inquiry, not the "objectives". The extent to

which "objectives" will be kept out of an inquiry, notwithstanding the background that led to the drafting of this section in this form, will undoubtedly depend on the jurisprudence which will grow around the words "fair, sound and reasonably necessary" in the achievement of the objectives of the expropriating authority.

So far as the federal bill is concerned, the section that deals with the scope and purpose of the inquiry is not, in my view, clear in the fashion in which the Ontario section is. The language in clause 7 of the bill is as follows:

> Any person who objects to the intended expropriation of an interest in land to which a notice of intention relates may, within thirty days from the day the notice is given, serve on the Minister an objection in writing stating the name and address of such person and indicating the nature of his objection, the grounds on which his objection is based and the nature of his interest in the matter of the intended expropriation.

You will note that the limiting words in the Ontario Statute do not appear in this clause defining the scope of the inquiry under the bill before us.

Whether a practice will develop in Ontario in cases as the result of which the Ontario section will be enlarged to permit the relevancy of the policy behind the expropriation and the purposes for which the expropriation is made is a question that we can speculate on, and you might find as many opinions as there are lawyers. But the language in the bill which we have before us is not clear in the sense in which I think the Ontario act is clear on this question of scope. I think this is something which, perhaps with good reason, we should explore as and when the bill goes to committee.

Mr. Justice McRuer in his report supported the idea that the matter of policy should be excluded from the scope of the inquiry. He had this to say at page 1007, chapter 66, of the report:

> The merits of the expropriating authority's general policy should not be considered relevant. For example, any evidence as to whether the public work contemplated, e.g., a new road or school, was necessary from a policy point of view, should be inadmissible. The necessity of the work should be assumed and treated as being beyond comment. The soundness and fairness of taking the particular piece of land described in the proposed expropriation plans should be the main issue at the hearing. The public interest and the interests of the owner must be considered. Evidence and comment on this issue, and on related issues such as the feasibility of the modification of the expropriation plan, or alternative sites or routes, or the taking of a lesser estate or interest in the land, should be relevant. The scope of the hearing we recommend is more restricted than in the United Kingdom, where the merits of the proposed work may be examined.

This poses an important question. If the minister is the one who is making the decision on his responsibility as a minister, and as a matter of government policy, then in my view it should not be left to an inquiry and an inquiry officer to determine whether the policy that put in motion this expropriation proceeding is a proper policy or is backed by substantial reason and purpose. The minister has his responsibility to Parliament and to the people, and it should not be made a matter of issue in proceedings before some administrative official such as the inquiry officer, who simply makes a report. The inquiry officer does not make the decision; he makes a report and a recommendation.

The only other matter I wish to bring to your attention is what is involved where the hearing officer makes a report which is in favour of the owner and against the expropriation. In those circumstances there is in this bill—I think it is clause 11— a provision that if the minister does not give effect to the report of the hearing officer, a statement of his reasons must be furnished to the owner.

That has set my mind wondering. There is an obligation to give reasons, but I do not see any sanctions if no reasons are given. But, quite apart from that, if the minister gives reasons that are inadequate or that lack substance, then what is the position? This is a matter that is not decided, as far as I can see, anywhere in the bill. This may one day become a matter of some importance.

There is another phase of law where a discretionary authority is given. Here I am thinking of a famous case that ages ago went twice to the Privy Council. I refer to the *Pioneer Laundry* case, in which the then deputy minister for taxation decided that in the circumstances he would not allow any depreciation. The case went to the Privy

Council, which ruled in favour of the appellant, and said that the appellant was entitled to depreciation. The matter was referred back to the deputy minister for taxation, and whatever was bothering him in the first place was still bothering him to the extent that he allowed depreciation in the amount of $1. The case went back to the Privy Council, which then decided that this was not the exercise of discretion, and so the whole matter had to be dealt with again.

Perhaps this is a parallel, perhaps it is not. I am wondering what would be the situation if the minister, where he is obliged to give reasons, give reasons that are insubstantial, or which on their face do not disclose any justification for rejecting the report. What then is the position of the owner? Frankly, I am not prepared to express an opinion at this stage, but I think this is a point that should be discussed in committee. What was the intention of the drafters. If "Reasons for not accepting the report of the inquiry officer" is written at the top of the page, did they intend that everything written under it would constitute the reasons? I think there should be some clarification of that provision.

Hon. Lionel Choquette: Honourable senators, as is usually the case, my good friend Senator Hayden has explained this bill very fully. He has made constructive suggestions along the lines of those I had intended to make while comparing this bill with the Ontario act which is similar and which preceded this bill, having been passed in 1968-69.

Bill C-136 is indeed a citizens' bill for which the Government should be congratulated. As Senator Phillips has said:

> Emphasis has been placed on the rights of the subject rather than on the privileges of the executive part of the Government.

The objectives of the bill are praiseworthy. In large measure, the bill meets the criticism directed at federal expropriation procedures in the past. In its scope, objectives, and intent, the bill deserves the support of this honourable Senate.

The bill attempts to update the law relating to expropriation of land by the federal Government and its agencies. In large measure it does achieve this by providing for public notice in advance of any expropriation; a public hearing to consider objections to any proposed expropriation; the right of an expropriated party to receive an offer of full compensation which he may accept unconditionally and without prejudice to his right to assert an additional claim for compensation; a comprehensive code to determine the compensation payable which, in addition to the market value of the property at the time of its taking, will include costs or losses incidental to disturbance including moving costs, the costs of relocating a residence in reasonably equivalent premises; interest at an economic rate that will fluctuate from time to time, and which will not be less than the average yield from Government of Canada treasury bills; and the express provision for the payment of costs in three stages.

The indictment levelled at the existing Expropriation Act by the Honourable Mr. Justice Thorson, and read into the record by Senator Phillips (Rigaud), is rather interesting but somewhat inaccurate. When the then learned President of the Exchequer Court stated that "Canada has the most arbitrary system of expropriation of land in the whole of the civilized world," he engaged in what the legal profession calls judicial exaggeration, by way of *obiter dicta*, to bring home the point that the Expropriation Act was in bad need of change.

The learned judge, personally, may not have been aware of any country in the so-called civilized world that exercises its right of eminent domain in the arbitrary manner he attributes to Canada. However, these countries do exist—in particular, one of our mother countries, England.

Although the common law of England establishes a presumption against the taking of private property without compensation, and although the eminent English jurist and legal scholar, Sir William Blackstone, declared that private property should be taken by the state only upon payment of compensation, the basic principle of the English Constitution is the supremacy of Parliament. The only guide to what Parliament may do is what Parliament has already done. Therefore, in England there is no constitutional principle declaring the inviolability of private property or, indeed, the inviolability of any truly basic human right.

It is not surprising therefore, that under the laws of our country the Crown, as a strict matter of law, has the power to expropriate land for public purposes without compensation to the owner. Lord Justice Dunedin, in

Cedars vs. Lacoste, reported in the Appeal Cases of England for the year 1914, said:

> The law of Canada, as regards the principles upon which compensation for land taken is to be awarded, is the same as the law of England.

This case involved an expropriation under our Dominion Railway Act.

Fortunately, all nations did not inherit the invidious doctrine of the supremacy of Parliament as it developed in English constitu ional law. An astute historian one day may trace the source of this doctrine to Hobbes' *Leviathan* published in 1651. There the process began of identifying sovereignty with *de facto* power. Might makes the sovereign, and law is what he commands. One cannot help but share our present Prime Minister's desire to limit, constitutionally, the supremacy of Parliament by subjecting its edicts to judicial scrutiny in matters of basic human rights.

Our other mother country, France, was saved from such an experience. In the old French law, expropriation was known as "retrait d'utilité publique". In the exercise of this right an extensive system of canals was built during the reign of Louis XIV, and Louis XV acquired the land necessary for some of the main roads in France. Although there were no detailed rules setting forth the rights of the subject and the state, the principle that compensation must be paid was firmly established.

Montesquieu enshrined this principle in his *Esprit des Lois* when he said:

> Si le magistrat politique veut faire quelque édifice public, quelque nouveau chemin, il faut qu'il indemnise. Le public est, à cet égard, comme un particulier qui traite avec un particulier. C'est bien assez qu'il puisse contraindre un citoyen de lui vendre son héritage et qu'il lui ôte ce grand privilège qu'il tient de la loi, de ne pouvoir être forcé d'aliéner son bien.

[*Translation*]

> If the political magistrate wants to build some public building, some new road, he must offer compensation. In this respect, the public is considered as a private citizen dealing with another private citizen. It is quite enough that the public may compel a citizen to sell his heritage, that it may deprive him of this great privilege which he holds under the law that he not be forced to alienate his property.

[*English*]

The Constituent Assembly recognized the right of the state to expropriate in the public interest. Article 17 of the Declaration of Rights of 1789 set down the principles which govern expropriation:

> La propriété est inviolable et sacrée; nul ne peut en être privé, si ce n'est lorsque la nécessité publique, légalement constatée, l'exige évidemment, et sous la condition d'une juste et préalable indemnité.

[*Translation*]

> Property is inviolable and sacred; none may be deprived of it, unless the public interest, legally ascertained, obviously so requires and provided there is fair and previous compensation.

[*English*]

These principles were consecrated definitively in article 545 of the Code Napoléon, which is textually the same as article 407 of the Civil Code of Lower Canada.

Although the law of eminent domain in the United States considers the right of eminent domain to be a basic attribute of constitutional sovereignty vested in the legislature of so high a nature that it can neither be given up by contract nor exhausted by exercise, two amendments to the United States Constitution protect the private right in property. The Fifth Amendment declares that private property shall not be taken for public use without just compensation. The Fourteenth Amendment prohibits a state from depriving a citizen of his property without due process of law.

Bill C-136 takes us a long way, but in commending the Government for this bill we should not neglect commending the several provincial governments, in particular the Government of Ontario, who have already reviewed and passed their new legislation on expropriation.

Hon. Mr. Martin: What other provincial governments have enacted legislation?

Hon. Mr. Choquette: I am coming to that point.

In his press release of May 23, 1969, the Minister of Justice acknowledged his indebtedness to these provincial governments. He noted that the federal Government, in preparing its bill, had been the residual beneficiary of the provincial reviews. He added:

> I hesitate to single out any particular work, but I would be remiss if I did not acknowledge the valuable findings of the Honourable Mr. McRuer in Ontario and the Honourable Mr. Clyne of British Columbia.

I think that answers the last question.

Hon. Mr. Martin: Yes.

Hon. Mr. Choquette: The Ontario Expropriations Act, 1968-69, came into force on

December 20, 1968. It is based substantially on the report of the Ontario Law Reform Commission and the recommendations in the report of the Royal Commission Inquiry into Civil Rights made in February 1968 by the Honourable James C. McRuer and known as the McRuer Report on Civil Rights. In many respects Bill C-136 reflects substantially the provisions of the Ontario Expropriations Act, 1968-69, but in one important respect it does not. I invite your attention to this important point.

Clause 14, subclause 1 of Bill C-136 imposes on the minister the obligation to make within 90 days an offer of full compensation to the expropriated party, who may accept this offer without prejudice to his right to claim additional compensation in respect of the expropriation. However, clause 14, subclause 2, permits the minister to delay making such an offer within the 90-day period, with the penal provision that further interest at the rate of only five per cent must be paid on the compensation for the period of default by the minister. The key words in section 14, subsection 2, are the following:

> Where, in any case, it is not practicable for the Minister to make an offer of compensation under this section—within the applicable period—the Minister shall make such an offer—

And these are the words I want to discuss

> —as soon as practicable after the expiration of that period.

My criticism is twofold. First, there are no norms to determine when it is not practicable for the minister to make the offer, and the minister is accountable to no one for the delay in making the offer. The only penal provision is to pay interest at five per cent.

Hon. Mr. Hayden: Would the honourable senator indicate where five per cent is stated?

Hon. Mr. Choquette: I do not have the bill before me, but I will find it.

Hon. Mr. Hayden: I should like to point out for the honourable senator that the word "interest" is used in the section that he read. It refers to section 33, and I note that interest is defined in that section as to what is the basic rate, and it is a varying rate.

Hon. Mr. Choquette: It is a varying rate?

Hon. Mr. Hayden: Yes.

Hon. Mr. Choquette: I will come to that point.

Secondly, the interest rate should not simply be five per cent but should be an economic rate. Whatever the rate is, my suggestion is that it should be an economic rate that will fluctuate from time to time and will not be less than the average yield from Government of Canada Treasury bills, in the same manner as the other provisions for interest in the bill. I adopt as my own the words of the Honourable Mr. Justice Thorson, quoted by the honourable Senator Phillips the other day, when he said: "The settlement of claims to compensation is frequently unconscionably delayed."

The Ontario Expropriation Procedures Act, 1968-69, by section 25(1) obliges the expropriating party to offer the amount of full compensation within three months after expropriation. The time within which the offer must be made may be extended only by a judge under section 25(3). In order better to achieve the objectives of Bill C-136, I recommend that it not be left to the minister to decide that it is impracticable to make an offer within the prescribed time, but rather that the minister be obliged to apply to the Exchequer Court for an order extending time for making such an offer along the lines set forth in section 25(3) of the Ontario act. That section reads as follows:

> The expropriating authority may, within the period mentioned in subsection (1) and before taking possession of the land, upon giving at least two days' notice to the registered owner, apply to the judge for an order extending any time referred to in subsection (1) and the judge may in his order authorize the statutory authority to take possession of the land before the expiration of the extended time for serving the offer or statement under clause (a) of subsection (1) upon such conditions as are specified in the order.

Subsection 3 of section 25 is a new section in the Ontario act, which did not appear previously. I do not suggest that the exact wording of the Ontario Statute be followed in the bill before us. I do suggest, however, that the minister be obliged to apply to the court to extend the time, and that accordingly clause 14(2) of the bill before us be amended in this sense. I shall make a motion to this effect in due course. I think the proper place would not be in this chamber, but when the bill is in committee I intend to make such a suggestion, and if necessary, after we have discussed the matter, propose an amendment. I am sure that if after serious discussion the committee finds that this is an amendment that should be made, it will not hesitate to make it. In addition, I shall move that the interest rate be increased from five per cent to the same rate provided elsewhere in the bill.

Hon. Mr. Hayden: If my honourable friend will permit, I want to make a correction. I am sorry, I may have misled you. I made reference to section 33, where it will be found that there is a basic rate in subsection 2, which is a five per cent rate for late payment, which is an additional amount. Anybody late in payment has to pay five per cent, by way of penalty, then pay interest at the basic rate, which is a varying rate, from the date upon first entering into possession until making the payment.

Hon. Mr. Choquette: But my suggestion is that even with that penalty the interest rate should be increased from five per cent to the same rate provided elsewhere in the bill.

Hon. Mr. Hayden: You mean a varying rate?

Hon. Mr. Choquette: Yes.

Subject to these reservations, I commend this bill to all honourable senators, with the proviso that the Standing Senate Committee on Legal and Constitutional Affairs be ordered to recommend from time to time, on its own initiative, amendments to the bill when passed. For, undoubtedly this bill invites continuing and continuous study in the public interest. Until there develops a body of administrative and judicial interpretation of many of the provisions of Bill C-136, we will be unable really to measure the effectiveness of the legislation in attaining the goals we all share. As the case law clusters around the sophisticated sections of the bill, amendments will be necessary to elucidate its meaning and to ensure the achievement of its objectives.

This task should be entrusted to our distinguished Standing Senate Committee on Legal and Constitutional Affairs. There, Tory and Grit and Independent will discard partisan prejudice and party politics in their pursuit of our common goal—a goal elusive to historic man but guaranteed to transhistoric man—the just society.

Hon. Earl W. Urquhart: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Urquhart speaks now his speech will have the effect of closing the debate.

Hon. Mr. Urquhart: I am greatly indebted to honourable senators who have participated in this debate. The speeches were all of a very high calibre.

Hon. Mr. Martin: Including your own.

[Hon. Mr. Choquette.]

Hon. Mr. Urquhart: They were very penetrating, and the analyses made by the different speakers have shed a great deal of light on the problems with which this bill deals. I had intended to speak at greater length, but the speeches made during the last few days on this bill have relieved me of that responsibility.

Many points were raised by honourable senators, and I have made a note of them. I intend to bring these observations to the attention of the Justice Department, who will be represented when this bill is before the Standing Senate Committee on Legal and Constitutional Affairs. I should make the observation, however, that this is a good bill and was accepted by all members of this house. The points which were raised by way of objection were certainly not against the bill, but I felt they were attempts by honourable senators to improve on the quality of the bill and the ultimate goals which it hopes to achieve.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Urquhart, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Joint Committee on the Library of Parliament which was presented yesterday.

Hon. A. Hamilton McDonald moved the adoption of the report.

Report adopted.

TRUST COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill S-8, to amend the Trust Companies Act, which were presented yesterday.

Hon. Jacques Flynn: I have read the explanation of yesterday and I am satisfied that the amendments can now be concurred with.

Amendments concurred in.

LOAN COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill S-9, to amend the Loan Companies Act, which were presented yesterday.

Hon. Jacques Flynn: The comments I made as to Bill S-8, also apply to Bill S-9.

Amendments concurred in.

SALTFISH BILL

SECOND READING—DEBATE ADJOURNED

Hon. William J. Petten moved the second reading of Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

He said: Honourable senators, the bill before us is of prime interest to fishermen and the general public of my Province of Newfoundland and Labrador, as well as other parts of the Atlantic coast of our nation. Newfoundland was settled because of the abundance of cod to be found around her coast.

The production of salted and dried codfish is the oldest industry in this country, antedating the earliest settlement, and it was for long years a staple commodity in our export trade. The international trade in the product has been contracting slowly until it is now not much in excess of 150,000 metric tons annually. The Canadian share of this trade has been declining, especially in recent years, and is at present about 20 per cent of the total. World consumption of the product has remained virtually constant, however, at approximately 250,000 metric tons, and demand for it in substantial quantity, with modifications of form, no doubt, is expected to persist indefinitely.

In 1918, Sir William Coaker, the then Minister of Marine Fisheries in Newfoundland, attempted to bring in regulations to control grading, packaging, exporting, et cetera. However, he did not have the backing of all exporters, and the plan fell through. With the coming of government by commission in Newfoundland, the commission formed the Fisheries Board and introduced many of Coaker's regulations. Because of their absolute control, they could do what he could not.

In World War II, the export of codfish came under the Combine Food Board. All food for export was controlled by this board and the price of salted cod was established for the first time. This meant that a fisherman would know at the beginning of a season what prices he would receive. At the end of the war this board phased out and the Newfoundland Associated Fish Exporters Limited came into being. NAFEL had a monopoly on exports and this helped to stabilize the industry. After Confederation, the federal Government, although not too happy with the monopoly, allowed it to continue until 1957. When NAFEL lost its monopoly the members decided to continue as an exporting body. It has generally been conceded that the disappearance of control marketing and the devaluation of the pound sterling, together created a situation in which the Government of Canada has been asked for help twice in the last three years.

During the centuries a large number of communities on the Atlantic coast of Canada were founded on saltfish production and export. Several hundred of these are in remote areas of northern Quebec, Newfoundland and Labrador. The development of a modern groundfishery, filleted and frozen production, of other fisheries and of other industries, has left most of these communities untouched. They remain heavily dependent on the production and sale of the traditional commodity.

In such places saltfish is produced by small fishing crews, utilizing the inshore runs of cod in mid-summer. Except for the installation of power in boats, the equipment and methods used have not changed since the eighteenth century. In the areas referred to, it is estimated that there are some 3,000 crews engaged each season in this operation. That would represent roughly 10,000 fishermen and, with their families, about 35,000 people or 20 to 25 per cent of the fishery-dependent population in Newfoundland and Labrador.

According to available information, the yearly cash income of a fisherman's household in these communities typically approximates $2,500. Not much more than 35 per cent of this amount is obtained from fishing, however, and nearly 50 per cent is obtained in the form of transfer payments from government.

Essentially the plight of these people is due to their extremely low productivity as fishermen-processors, a situation that has worsened lately as a result of two developments: one, an increase in pressure by the international fleets on the natural resource, which has caused the inshore runs of codfish to fall off, and, two, a movement of additional crews into

the small-boat fishery in the late 1950s and 1960s, brought about by a crop in alternative employment opportunities relative to population growth particularly in Newfoundland.

The crisis implicit in this situation was averted for some time by a sustained rise in the price of saltfish, beginning about 1950 and associated with a continuous shift after that date in the utilization of inshore cod landings in the Atlantic region from cured to frozen fillet production. This took place in other exporting countries as well and caused exports of saltfish generally to contract more rapidly than the requirements of the trade in importing countries.

The price level reached an all-time peak in 1967. Late in that year currencies were devalued in a number of countries where the product is produced and consumed. This, combined with growing resistance to the purchase of the traditional product from Canada, resulted in a collapse of the price obtainable for the greater proportion of the latter. In 1968 the federal Government was forced to purchase large quantities of saltfish for relief feeding—luckily this outlet existed—and, to support the earnings of the fishermen involved, prices for the production of the 1969 season are being subsidized.

Obviously, reorganization of the saltfish trade in Canada will not by itself solve the economic and social problems described here. A massive program or combination of programs designed (a) to resettle large numbers of the people now dependent on fishing for a livelihood and to provide remunerative occupations for them, and, (b) to upgrade the productivity of those who remain, is necessary for that purpose.

What trade reorganization of the kind proposed can do, in association with the programs just referred to, is to facilitate transition from the traditional to updated ways of saltfish production—a task that the private trade appears to be incapable of undertaking. As those programs take effect, and many of the existing producers are removed from their present areas of isolation, the supply of saltfish from the traditional source may be expected progressively to decline. During this phase, whatever its duration, the proposed agency should be able to maximize the prices that producers receive for saltfish. It would be in a position to improve marketing services and to reduce costs in the handling of the product.

If there is a continuing demand for saltfish in the markets of the world, and to the extent that such demand can sustain a product price consistent with production costs in Canada, the corporation would be in a position to replace, or promote the replacement of, the traditional supply with saltfish produced under conditions of strict form and quality control in modern plants or curing stations. This, in fact, would be its major long-term objective.

As indicated in the bill, the Saltfish Corporation would have broad powers for the accomplishment of the immediate and longer-run purposes outlined above. Under complementary provincial legislation, it would become the exclusive owner of all saltfish produced in the Atlantic region—excepting certain categories of the product that may be exempted, temporarily or otherwise, from its control, by federal-provincial agreement. Its powers under the federal act would permit it to control the movement of the product through processing and handling operations and the channels of trade to the point of final sale in the domestic market and abroad.

In practice it is anticipated that the corporation would make the fullest possible use of existing traders and processors as its agents in assembling supply from primary producers and in carrying out such processing, packing, storing and shipping operations as may be required. These services would be obtained on contract, with rates of payment or commission being negotiated between the corporation and the suppliers. Such rates would thus tend to approximate the costs of the most efficient of the latter and in this way the returns to fishermen might be raised substantially above the current level.

It is visualized that the corporation would specify target prices at the beginning of each season, based on an assessment of market prospects. On delivery of supply to the corporation, the primary producers would receive some proportion of this price as an initial payment. When the season's stocks had been cleared the producers would share in net surpluses on the basis of participatory rights. The details of this arrangement, as to pools, et cetera, would be worked out by the agency's management in the course of phasing into operation.

Honourable senators, I am confident that the passing of this long-needed measure enabling the establishment of the Canadian Saltfish Corporation will do a great deal to improve the saltfish industry and to better the lot of the inshore fishermen of the Atlantic coast of Canada.

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

CRIMINAL CODE

PUNISHMENT FOR THEFT—BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, February 19, the adjourned debate on the motion of Hon. Mr. Macdonald for the second reading of Bill S-21, to amend the Criminal Code.

Hon. Jacques Flynn: Honourable senators, Bill S-21, which was so ably introduced by its sponsor on February 19, has as its purpose to amend the Criminal Code. The arguments that were used to support the proposed changes were succinct and perspicuous, and the idea itself is the epitome of good common sense.

Bill S-21 bears the distinctive imprint of a man preoccupied with justice and reason.

Under Section 280 of the Criminal Code, the punishment for theft is potentially much greater when the value of that which is stolen exceeds $50, since it provides imprisonment for as many as ten years, whereas when the value does not exceed $50, the guilty party is liable, under the Code as it now reads, only to a maximum of two years.

The bill before us would serve to raise the valuation to $200, thus making an convicted person liable to a maximum of ten years' imprisonment only if the value of that which he has stolen or the value of the stolen item of which he has become the possessor exceeds $200.

The $50 value figure was originally intended as a demarcation line between major and minor thefts. I do not know if the figure was very realistic when it was first introduced in 1954, but I fully agree with Senator Macdonald that as a result of inflation the heavier and more severe penalty provided for theft when the value of that stolen is over $50 is now the penalty when the real value is considerably less than the $50 of 1954. I further agree that for Parliament to allow this economic phenomenon to alter the effect and intent of its legislation would constitute a serious dereliction of duty, one which no legislative body conscientious about its responsibilities to the citizenry could possibly accept.

If criminal laws are to be taken seriously, if criminal laws are to have a beneficial effect upon society, they must be regarded by everyone as realistic and fair. If we want our laws to act as deterrents to crime, it behooves us to see to it that the punishment fits the crime.

Needless to say, the way in which a law is applied by the courts has an effect upon whether or not the law is treated with respect. This aspect of the problem falls properly within the purview of the judiciary. However, we cannot for all that abrogate our responsibilities. If laws are deficient or outdated, they are not to be left to the courts to amend in practice by judicious application.

For these reasons I support Bill S-21.

Hon. Paul Martin: Honourable senators, the Leader of the Opposition said that the sponsor of this bill, Senator Macdonald, was a man who was preoccupied with justice and reason. I am sure we all agree with that. I would add that he is a man who has been preoccupied not only with justice and reason but with diligence. This bill reflects the diligent way in which he has pursued his obligations in this chamber.

Some ministers of justice have argued that an amendment of the Criminal Code should not as a rule be proceeded with in an *ad hoc* way. But the Minister of Justice, as Senator Macdonald and others are aware, has given an indication that he proposes soon to bring in a measure providing for continuous law reform, including the Criminal Code. If he were standing in my place at this moment he might suggest that we wait until there was the opportunity for a revision not only of this particular matter but of other sections. I am not going to make that argument now. The bill will go before a committee and the officers of the Crown will be in a position to comment on it. However, I felt that in view of the position of the Minister of Justice I should make this observation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—DEBATE CONTINUED

The Senate resumed from February 19 the adjourned debate on the motion of Hon. Mr. Martin that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of

Canada, and to consider in connection therewith any public documents relevant thereto.

Hon. Jacques Flynn: Honourable senators, it is with a great deal of pleasure that I rise to lend my support to the motion which has been presented by the Leader of the Government (Hon. Mr. Martin). As I said when I adjourned this debate, I am in agreement with the principle that must have given birth to the motion at hand, and in my remarks I plan to limit myself to speaking on this principle rather than to delve into the possible methods of controlling delegated legislation. This latter problem will be dealt with by the Standing Senate Committee on Legal and Constitutional Affairs when this motion is passed and the committee is entrusted with the task of studying this thorny question.

In most contemporary democracies one of the principal and inevitable areas of contention is the field of the rights of the individual, on the one hand, and of the rights of the society in which he lives, on the other.

Government, in most democracies, has in the past three or four decades grown so much that the swelling of the apparatus seems uncontrollable; ministers, departments, boards and regulations all multiply like rabbits.

The most nefarious result of this colossal growth in the size and authority of the bureaucracy responsible for administering the plethora of laws which we have has too often been the unjustified limitation and sometimes complete strangulation of individual rights.

There have been cases in which government officials have deliberately substituted their own will for the provisions of the law in the belief that they were improving it and achieving, in some way not stated, the very ends which they thought the law was intended to achieve. There is generally no doubt about the good will and sincerity of government officials. However, we should, in self-defense, arm ourselves, to the extent necessary, adequately to defend against an apparent manic propensity for the drafting of statutory instruments. It behooves us to bear in mind that the legislative function is properly that of Parliament. Although, for the sake of administrative efficiency, we often delegate the power to enact the rules and regulations required to particularize the application of any given statute, the fact remains that Parliament, and Parliament alone, has been entrusted by the electorate with the task of legislating. Hence, the upper and lower houses, if they are to carry out their duties conscientiously, must devise some method of overseeing and controlling all the legislating that is done in their name. The citizens of Canada must, at all costs, be protected against the arbitrary laws that have been, and will continue to be, formulated by these administrative bodies or individuals.

Individual freedom in all countries has been gradually reduced in the last hundred years not only, or not chiefly, because of the growing interdependence of individuals and nations, but also because of the very fact that statutory laws entitle officials to behave in ways which, according to the standards of some years ago, would have been judged as usurpations of power and encroachments upon the individual freedom of the citizen.

The dangers of delegated legislation cannot be over-emphasized. Bureaucrats tend to exalt administrative convenience and the national advantage at the expense of the individual and his freedom. The government official in his zeal to achieve a desirable result often imposes an unreasonable burden upon the citizen. The power under a statute to make rules gives the civil servant with a knack for making capricious regulations the ideal opportunity to work out his latent megalomania on a defenseless public. Delegated legislation is a sort of blank cheque which affords the executive an opportunity of adding to or subtracting from the substance of the law. And all this is going on without the benefit of judicious scrutiny on the part of those having the responsibility to watch over the human rights and civil liberties of the citizen.

We have here an extremely sensitive issue, since the power to delegate legislative authority could conceivably be used for the partial or total abrogation of constitutional government. If Parliament uses its unlimited legislative power to delegate that power to another body, parliamentary government is thus to that extent suspended. In Germany, this was in fact the method used by Hitler to achieve his insane ends. No clearer proof could be advanced to support the old adage that the price of liberty is eternal vigilance.

The successful administrator is the man who retains in his own hand the general direction of policy and leaves matters of detail to his subordinates, while at the same time keeping their work under close observation. Parliament is in a similar position. It is always in danger of being so overburdened with detail that it has not sufficient time left to devote to broad matters of policy. The first duty of Parliament is to keep the policy and

administration of cabinet ministers under critical scrutiny, and its second duty is to pass legislation. If these broad matters of principle are to be fully considered, Parliament must not be too deeply immersed in detail. It is therefore wise to delegate power to ministers, but as there is no clear dividing line between detail and principle, Parliament must ensure that the powers given to ministers are not abused, and the law courts must make certain that they are not exceeded.

Most acts contain a specific clause permitting the cabinet to pass orders in council affecting enforcement. Some statutes go as far as to authorize cabinet to pass regulations changing the very principles of acts. Such clauses, when giving the Governor in Council power to make rules generally for carrying out the purposes and provision of an act are frankly dangerous and, to me, give too general powers.

No worthwhile provision is at present made in our legislative system for an organized review of subordinate legislation by or on behalf of the legislature.

For concrete evidence of the magnitude of this problem and the pressing need that exists for our establishing some vehicle for the efficient review by Parliament of all statutory instruments, I take you back to the debate we had in this chamber and in the Banking, Trade and Commerce Committee during the last session on Bill S-26, to prohibit the advertising, sale and importation of hazardous products.

As you will recall, one of the amendments we made to that bill had the effect of requiring that if any additions to or deletions from the two schedules contained in this bill were made by order in council, then, at some time, the order should go back to Parliament for Parliament to decide whether this should be maintained. The amendment that was rejected by the Commons would have required that within two years an amending bill be submitted confirming the order, and, if it were not confirmed or if a bill did not go in within that time, the order would cease to have any effect.

The Commons refused that amendment and asked us to concur in theirs which had the effect that unless Parliament went out of its way to revoke an order or part of it, the order would remain in effect. Human nature being what it is, their amendment further facilitated the bringing into being of new regulations or additions to existing ones.

The chairman of the Commons Committee on Statutory Instruments agreed with us at the time of the report that the Commons amendment had simply emasculated the point we had been trying to make with our amendment. It was on this occasion that we were promised by the Government—I do not know if it was by the leader—that this problem of such significant import would be considered by one of our standing committees.

Therefore I am delighted to agree with Senator Martin's motion to instruct the Senate Committee on Legal and Constitutional Affairs to study the matter. It will be interesting to see if this committee ends up agreeing with any, most or all of the recommendations made by the Special Committee on Statutory Instruments which studied the problem at the request of the House of Commons.

Certainly much thought went into the report of the Commons committee. It was obviously inspired by the British experience in the area of dealing with the control of delegated legislation and also, to some extent, by the experience of other Commonwealth nations and provinces of Canada.

I am not averse to accepting the suggestion that the report of the Commons committee be used as the basis for our study of the question. This, along with the first volume of the Ontario Royal Commission's Inquiry into Civil Rights, in which the Honourable James McRuer devotes some fifty pages to subordinate legislative powers—reference was made to this report when we were discussing the Expropriation Bill—possesses the virtue of being fresh. They are probably the latest studies that have been made on this question, and, hence, are more than likely to contain the most appropriate material for our consideration.

Hon. Lazarus Phillips: Honourable senators, I am indebted as indeed we all are to the Government Leader for presenting this motion to the house for our consideration. For our guidance, the third report of the Commons Committee to which Senator Flynn has referred will indeed be helpful to us. I remember on one occasion reading of Benjamin Disraeli, in referring to the speeches of Mr. Gladstone, saying that Mr. Gladstone was inebriated by the exuberance of his own verbosity. I think in the case of the parliamentary process, we as a Parliament are in danger of being smothered by the exuberance of legislation inclusive of delegated powers and administrative directives.

It has been drawn to our attention as a result of the study made by the committee of the other place that of the 601 acts of Parliament examined, 420 provide for delegated legislation. During the period from January 1, 1956, to December 31, 1968, 6,892 regulations covering 19,972 pages, an average of 530 regulations a year, were published in the *Canada Gazette*. This does not take into account those regulations which are especially exempted from publication and also some documents which are perhaps in fact of a legislative nature but are not considered to be so by the regulation-making authority.

Honourable senators, this will give you some idea of the enormity of the problem facing both Houses of Parliament in considering the question of statutory instruments. Incidentally, for the benefit of laymen in the house, it should be pointed out that the phrase "statutory instrument" is unknown to our Canadian parliamentary system. That which in England is referred to as a statutory instrument is known in our law and reflected in our statutes and in practice as a regulation. Therefore, it will be much simpler in dealing with the subject matter of statutory instruments if we use and think in terms of the word "regulation," which is more familiar to the eye and ear of honourable senators.

In dealing with the subject matter of the number of acts and the number of regulations, that is to say, delegated powers, no consideration whatever at this stage is being given to the very important and difficult distinction between administrative acts and directives which are voluminously published in various departments under ministers of the Crown. It should be kept in mind that these administrative directives do not constitute regulations or statutory instruments within the true meaning of the law. So that in addition to the body of statutes and the body of regulations, we have this extraordinary problem of a tremendous amount of administrative directives. There is no provision at this stage whereby the citizen or the subject receives relief particularly in respect of these administrative directives. In order that honourable senators may appreciate en globale or generally the whole problem of administrative law, one should keep in mind that the motion now before us does not envisage the consideration of the activities of tribunals that are created as a result of acts of Parliament, such as transport boards, radio and television commissions, and the like, and immigration boards which deal with appeals in respect of immigration. These are not covered by the subject matter now before us by way of motion.

[Hon. Mr. Phillips (Rigaud).]

Incidentally, this phase of administrative law was touched on by the Minister of Justice recently in the announcement of the proposed legislation which will do away with our present Exchequer Court, replacing it by a federal court which will be a court of original jurisdiction and a court of appeal, and to which court, as a court of original hearing and as a court of appeal, will be referred the rights of the citizen in respect of administrative directives and otherwise, so that in due course we will be dealing with that phase of administrative law. I simply direct honourable senators' attention to the fact that, in dealing with the whole subject matter of the protection of the subject and his property, we are at this stage dealing only with one segment thereof.

This whole question of the invasion of the rights of the subject, in respect of which Senator Choquette spoke so eloquently today, is not new. It arose sensationally, as it were, in a very important book, *The New Despotism*, published by the then Lord Chief Justice of England in 1929, The Right Honourable Lord Hewart of Bury. It was then that the parliamentary system in the British Commonwealth was alerted for the first time to the danger of the invasion of the rights of property and the rights of the person. It was indeed that extraordinary book, to which I will have occasion to refer again, which in 1932 brought about for the first time in the British Parliament a study of the entire problem, which was the basis of some relief granted to the subject leading to the publication of delegated powers. But it took approximately 18 years for this Parliament to deal with the subject under the administration of the Right Honourable Louis St. Laurent, with the Publications Act passed in the year 1950. That was the first time the Canadian Parliament dealt seriously with this whole question of delegated powers and administrative invasions of the rights of the person and the rights of property.

I may draw honourable senators' attention to the Special Lectures of the Law Society of Upper Canada in 1953, for in the introduction of Administrative Law by R. F. Reid there is a very good summary which lays the basis for the observations I intend to make.

In referring to the books that have dealt with the subject of invasions of persons and property he says the following:

> The well known books begin with *The New Despotism*, written by Lord Hewart,

published in England in 1929, when Lord Hewart was Chief Justice of England. Its theme was that the administrative branch of government had embarked upon a sinister plan to take over the country, subjugate Parliament and the courts to its bureaucratic will, violate the rule of law and set up a modern counterpart of the tyranny of the Stuart Kings. Whatever the validity of its major premise, the view was presented with great force and colour, and created a furore which led to a parliamentary investigation. The resulting report, which is famous in administrative law as the *Report of the Committee on Ministers Powers* was the first comprehensive examination of the extent to which the administrative branch of government was performing parliamentary powers. This phenomenon was noted in the title of a book by Professor John Willis called *Parliamentary Powers of English Government Departments*. The storm raised by Lord Hewart has never really died down and the battle of the books has been going on merrily ever since.

Honourable senators, we are today in the direct line of the consideration of this important problem that was first raised by the Lord Chief Justice of England approximately 40 years ago, and we are still grappling with the problem.

Dealing generally with the entire subject matter of administrative impairment of the rights of persons and property, I was intrigued by part of a speech made by Chief Justice Mulock, on his 90th birthday, an amazing situation, to an audience of the Bench and Bar of Ontario in 1934. I quote from that speech:

> I refer to the ever increasing practice of the Parliament of Canada and our provincial legislatures of depriving our people of the protection of the law and of the courts, by vesting in autocratic bodies the power to arbitrarily deal with matters affecting our liberties and other rights within the intervention of any court.

And he ended up with the following cry:

> The national safety is in danger.

So you can see that this subject matter of regulations and statutory instruments is of more than passing interest.

I will quote only two short passages from Lord Hewart's book. One appears at page 11 where, in speaking of the Tudor Kings and the Stuart Kings, the Angevin Kings and the Plantagenet Kings, indicating how the parliamentary process destroyed to a considerable extent the prerogatives of the Crown, he said:

> The old despotism, which was defeated, offered Parliament a challenge.

And the challenge was met by the Parliaments in the Commonwealth.

> The new despotism, which is not yet defeated, gives Parliament an anaesthetic. The strategy is different, but the goal is the same. It is to subordinate Parliament, to evade the Courts, and to render the will, or the caprice, of the Executive unfettered and supreme.

And at page 83 there appears this short passage:

> There are two kinds of delegated legislation, one based on the prerogative of the Crown, and the other deriving its force from some act of Parliament expressly giving power to legislate with regard to a particular matter either to the King in Council or to a public minister or department or some other authority.

I trust that honourable senators have all read this third report which was tabled by my leader. It is overwhelmingly interesting and highly instructive. Reference is made there to the number of professors who appeared before the committee, and it is also stated that a number of learned books on the subject have been drawn upon to assist in the conclusions arrived at. For some reason or other, the authors are not given proper credit for their contribution, but it is pretty clear to those who are familiar with the subject that the constitutional works of Wade and Phillips, now Wade and Bradley, and the work of Lord Hewart, are drawn upon in dealing with some of the recommendations.

I have already stated that the word "regulation" is not defined in our law. The committee of the other house has given us constructive guidance as to what a regulation should be, and I suggest that honourable senators read that part of the report.

We have had in recent months an opportunity of seeing how a bill should be drafted, and how a bill should possibly not be drafted, at least with respect to delegated powers. Having heard of all the weaknesses in the Expropriation bill, I think honourable senators are in any event in agreement that we

have had a bill that does not deal with delegated powers. This shows that we can have a bill dealing with a highly intricate matter without there being the necessity for regulation or delegated power.

In the Textile Labelling bill which I, and honourable senators with me, had to deal, we saw that it was necessary to provide the minister with broad delegated powers preparatory to dealing with technological aspects. In that case the Government felt it would not be possible to deal with the entire subject matter in direct statute form.

Generally speaking, the excuses given for delegated powers are, firstly, that Parliament is too busy, and, secondly, that technological advances and developments are such that it is utterly impossible to cover all aspects of the matter in a bill. These seem to be the two major considerations. I suggest that in due course we consider this matter in committee, if this motion is agreed to, and that we do not take it for granted that we must carry on in the future as we have in the past when we have had, as I have mentioned, 420 acts out of 601 with regulations made under them. We should attempt to indicate to the executive the necessity of reducing the proportion of bills brought before Parliament that involve delegated powers, in addition to dealing with the problem of what should be done with respect to delegated powers.

I commend the members of the committee of the other place for their extremely able handling of the subject matter. I agree with Senator Flynn that although we are not bound in any way by any of the recommendations or observations, some of the material which has been subjected to an exhaustive study and investigation will be helpful to us in due course. I refer to: (1) the question of the definition of "regulation"; (2) the determination of the guiding principles on what should go into a regulation when it is drafted; (3) the subject matter of the publication of regulations, and (4) the determination of the guiding principles pursuant to which the regulation should be considered in terms of its efficacy or the necessity for its revision or complete abrogation.

It is interesting to note, in dealing with this whole subject of delegated powers, that we have an extraordinary paradox. We started off in the Commonwealth and the United Kingdom with the royal prerogative consisting not only of executive acts but also of legislative acts which were not delegated powers at all. Today the royal prerogative is practically confined to administrative or executive acts—the appointment of ambassadors, the appointment of senators, and the like—but in the legislative process through the centuries the royal prerogative in terms of passing legislation by order in council has been attenuated to the point that it is practically non-existent.

As a matter of fact, in the third report it is said that in the entire legislative process in Canada there are only two instances of where the royal prerogative as such, in terms of the initial legislative authority, is exercised by order in council. But, in the process of eliminating the direct approach by way of the exercise of the royal prerogative on legislative enactments—that is to say, without Parliament—Parliament has been enfiladed through the surrender of delegated power by regulation. So, the Crown has re-appropriated that which Parliament took centuries upon centuries to acquire—and here I am thinking of centuries of Tudor struggle, Stuart struggle, and the like.

We have now a situation where the royal prerogative, having lost its power through the centuries, has reacquired it with the consent of Parliament through the process of making orders in council through statutory delegated legislation. In my study of the problem I have found this, in many respects, to be one of the most interesting and most intriguing aspects of the subject we are considering.

Incidentally, honourable senators should be reminded of the fact that this loss of legislative power was envisaged by the Fathers of Confederation. Few people seem to talk about that, but even in 1867 there was a realization that the royal prerogative must be curbed. By section 12 of the British North America Act, Parliament has the sovereign authority to abolish all the prerogative powers or to merge them into statutes. In 1970, 103 years after Confederation when the Fathers of Confederation thought of the subject, we have by the methods I have indicated returned the royal prerogative in an aggravated form to the executive branch of government.

I come now to consideration of a matter which I must confess annoyed me, and I think it will annoy all honourable senators. The committee of the other place recommended in its third report that there be a special standing committee to which would be referred the subject matter of regulations. This means that after a bill passes second reading, and if the Minister of Justice determines that the regulations are of such a nature as to require

parliamentary attention, then the regulations or the section which authorizes the granting of the power to make regulations will be referred to a special standing committee which, for the purposes of the third report, is referred to as a scrutiny committee.

The reference to this scrutiny committee with respect to delegated legislation will be made concurrently with the transfer to the ordinary standing committee in so far as the entire bill is concerned. When the subject matter arose as to the nature of the scrutiny committee that should deal with the subject matter, there was some question as to whether it should consist purely of a committee of the other house or a joint committee of the other house and this house.

In the early part of the report reference is made to a series of scholars who gave evidence before the committee, one particularly, Professor J. E. Kersell. His evidence apparently was not given too much attention because of the fact—I am inferring this—that he spoke too highly of the Senate and thought that it would be par excellence a scrutiny committee that could deal with the subject matter of delegated authority.

At page 1489, the Third Report recommends:

> Your committee therefore recommends that a new Committee on Regulations (hereinafter called the Scrutiny Committee) should be established with the following particulars:
>
> (1) It should be a Standing Committee of the House of Commons.

Notwithstanding the observations of Professor Kersell, who in 1960 wrote an outstanding book entitled *Parliamentary Supervision of Delegated Legislation,* the views of the Committee in the other house were as I stated. May I quote Professor Kersell:

> The question now arises, could a committee of the Canadian Senate be as effective as that of the Australian, for the Australian Senate is elective, the Canadian is appointive. The Canadian Senate is understandably a much more reserved chamber than its Australian counterpart, but it does not necessarily follow that reports of a Canadian scrutiny committee made up of senators would be ineffective. Much would depend on the quality of reports which in turn would depend on the quality of the senators serving on the committee and on the ability of the committee's adviser or advisers. The Canadian Senate has in the past established committees of outstanding merit and there is no reason to believe it will cease to be able to do so in the future. If a Senate scrutiny committee could produce reports of quality similar to reports from other Canadian Senate committees and to reports from the Australian Regulations Committee, they would carry much of their own conviction. This might be enhanced by making reports from the scrutiny committee easily available not only to senators but also to M.P.s—

In spite of this statement by a constitutional expert in our country, we have this delightful gem in the report in terms of what we lawyers call a *non sequitur* based upon a false premise:

> The committee was divided over the question of the desirability of a Joint Committee of both Houses as opposed to a Standing Committee of the House of Commons alone, as some members felt that the non-elective and non-representative character of the Senate made it unsuitable for this role;

Although I am a comparative newcomer here, I hope I am observing the rules of Parliament. I have been a student of the parliamentary process and have read some political science in my life. I am far from convinced that those who reach the halls of Parliament through the elective process have a complete monopoly in competence and ability. We are facing the extraordinary situation that the suggestion is made that there cannot be an act of Parliament unless it passes this house, there cannot be delegated power unless the sections of the statute pass this house, but when it comes to the scrutiny review of the delegated power there is no one in this house, presumably, competent to deal with the subject. If, as and when this motion reaches the stage where we will be studying the matter in the Standing Senate Committee on Legal and Constitutional Affairs, I am hopeful that honourable senators will rise to the occasion and will not allow themselves to be smothered as to their status by their own senatorial togas. We have had too much of that in the past and this is the opportunity for us to assert our position and suggest that irrational and illogical lines of reasoning are not acceptable to us and certainly do not appeal to us.

In conclusion and notwithstanding what I believe to be this lapse, I consider that generally speaking the report commends itself to us and will help us.

Incidentally, I regard section 9 of the report as the weakest of all. We have a very learned study on regulations, the drafting of regulations, the publication of regulations, the distinction between administrative and directive acts, and so on. Then we have also the suggestion of a standing, so-called scrutiny committee, but when it comes to the determination of what the scrutiny committee should do I find the recommendations thin indeed. It reminds me of Cox's army marching up the hill and marching down again after having gone through the effort of climbing the hill.

When this comes before our committee we can usefully consider what I regard as a lacuna in the studies that have been made in the other Committee. Beyond that I would like to draw the attention of honourable senators to the fact that for a quick review of the report of the committee, the summary of recommendations is to be found at page 1505. This will be useful to read first, in terms of working backwards.

If honourable senators feel that I have been unduly critical with respect to some of these matters, I apologize. I do feel, however, that this whole question of administrative law, statutory instruments and delegated powers involves the necessity of highly technical information, competence and knowledge. It is my view that there are in this chamber outstanding lawyers and men of great ability in the business and other active worlds of Canada who would enable us, surely, to perform our duties as well as others in the other place.

On motion of Hon. Mr. Urquhart, for Hon. Mr. Thompson, debate adjourned.

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Chesley W. Carter moved the second reading of Bill C-176, to amend the Company of Young Canadians Act.

He said: Honourable senators, this is the second amendment to the Company of Young Canadians Act since the original legislation was introduced in the other place on May 2, 1966, by the then Prime Minister of Canada, the Right Honourable Lester B. Pearson. To understand the purpose and reason of the amendment we have before us in Bill C-176, and its relationship to the earlier amendment passed last December, as well as to make it meaningful to those who may read the printed record of this debate, it is necessary to recapitulate briefly the history of this legislation since its inception.

On June 10, 1966, when Prime Minister Pearson opened the debate on second reading of the original bill, which was then Bill C-174, he quoted in part section 14 of the bill, which sets forth the ojectives of the C.Y.C. as:

> To support, encourage and develop programs for social, economic and community development in Canada or abroad by voluntary service.

Enlarging on this statement of objectives, he emphasized that he regarded it as:

> —one step forward in the battle against poverty, disease, deprivation and inequality wherever these may exist in our country, as well as being a modest measure of assistance in meeting these problems in other countries.

He described the bill as making possible a great adventure, and it is clear that he pictured the C.Y.C. as being patterned after CUSO—working in a similar manner, even working side by side with CUSO abroad, but with the bulk of its operations confined to Canada—and, whether at home or abroad, he pictured the Company of Young Canadians as being inspired at all times by that spirit of high adventure and unselfish service that has characterized CUSO and crowned it with honour and respect as well as with a wide measure of success.

Here I should like to stress that the original bill was not hastily drawn. It was not a case of someone getting a half-baked idea and rushing it through into legislation without much thought or consideration as to what was involved or what the consequences might be. On the contrary, it was given a tremendous amount of thought and preliminary planning by an organizing committee under Dr. Francis Leddy. This committee spent practically a whole year seeking opinions from every possible source—from federal Government departments, provincial governments, universities, voluntary agencies, youth groups and some private citizens. These opinions were evaluated and compiled into recommendations which were later embodied in the original bill. For example, the organizing committee recommended that the C.Y.C. should have a maximum degree of independence and flexibility on the grounds that manœuverability was necessary for the company to be able to work in co-operation with a wide variety of groups and agencies, both governmental and private,

and this principle was incorporated into the legislation.

The committee also recommended that provision should be made to ensure that the experience the volunteers gained in the field should be brought into the administrative affairs of the company. It was to be a company not only for Canadians but of Canadians, a company in which young Canadians themselves would play a major role in determining plans and operations. This principle, too, was embodied in section 4 of the original bill, which provided for a council of 15 members, 10 of whom were to be elected by the volunteers themselves and the other five appointed by the Governor in Council. This was approved by all parties in the other place on the ground that the company should be free from government control and should have a wide measure of autonomy.

Section 15 of the original bill sets forth the various areas or fields in which the company would operate and the types of activities in which the company might engage, but the programs and the projects included in the programs were to be developed in response to requests received from various organizations and bodies, federal, provincial, municipal and private, and were not to be undertaken on the initiative of the company itself. The volunteers were not to be sent where, to quote Mr. Pearson, "they would not be needed nor welcome."

It can be seen, then, that the Company of Young Canadians was intended to serve a two-fold purpose. First, it was to be a means of challenging young Canadians to come to grips with the problems that beset us and to do something about the inequalities and injustices of our society. Secondly, it was to be a means of mobilizing the youthful energies, zeal and enthusiasm of those who accepted the challenge so that they could be used in a concentrated manner in the service of their country and of their fellow man.

Three years passed, and while the Company of Young Canadians did carry out successfully a number of good useful projects, the happy results and great expectations anticipated when the company was established were for the most part not realized. Unfortunately, the good that the company accomplished was overshadowed by bad publicity surrounding some of their other activities, so that large questions were raised in the public mind concerning not only their methods but their objectives as well.

As a result, shortly after the present session of Parliament opened in October 1969, an order was passed in the other place in the following terms:

> Ordered,—that the Standing Committee on Broadcasting, Films and Assistance to the Arts be empowered to consider and make a final report to the House, not later than December 5, 1969, upon the legislative framework, organization, and operations of the Company of Young Canadians, and that, for the purpose of this inquiry, the committee be empowered to retain the services of counsel and to adjourn from place to place within Canada, and that the clerk, counsel, and the necessary supporting staff be authorized to accompany the committee.

The committee began its inquiry October 24, 1969, and presented its report December 5, 1969. In their report the committee expressed themselves as being, "gravely disturbed by many aspects of the legislation, organization and operations of the company." They then went on to outline specific areas of concern such as the lack of administrative procedures, the unconventional nature of the financial procedures followed, and the evidence that the company had been infiltrated and used as a base for acts of subversion, violence and illegality which the administrators of the company were apparently powerless to control. They expressed concern also about the evidence indicating that public funds may have been surreptitiously diverted to support these purposes, the evidence that at various times and places some volunteers in the course of their duties had participated in overt acts of a partisan political nature which was contrary to the best interests of the company, and the fact that the executive director of the company was seriously hampered in the performance of his duties because his position, power, authority and duties were not sufficiently defined. The result was that the company had no clear-cut policies with respect to the qualifications, recruitment and training of volunteers; no evaluation procedures with respect to the performance of volunteers and staff or for the assessment and termination of programs or projects; no adequate procedure to deal with the grievances of volunteers, or staff, and no adequate policies for the suspension and dismissal of staff and the suspension or cancellation of volunteer contracts.

To correct these defects the committee made a number of recommendations. The first recommendation was:

> That, for a period of not more than a year, all powers and functions hereto-

fore exercised by the Council and the Executive Director be exercised under the direction of the Trustees.

As there was evidence of a need to protect the expenditure of public monies and to control any possible illegal activities of a few members of the company, this recommendation was treated with great urgency and embodied in Bill C-171, which was passed by the House of Commons on December 17, 1969, and by this chamber on December 19, and given royal assent the same day.

The committee also made recommendations with respect to the legislative framework of the company. It is these recommendations which are embodied in Bill C-176 which is now before us.

You may ask why these recommendations were not included in Bill C-171 which we dealt with just before the Christmas recess. I have already referred to the first reason, which was the urgency of the need for firm control of the administrative and financial procedures of the company. But there was a second reason. The committee felt that they had not had sufficient time to evaluate adequately the work that had been done by volunteers in specific projects. They felt that not only should this be done but an opportunity should be provided for the minister to discuss the recommended changes with the council and executive director of the company and with other appropriate persons to the fullest possible extent before any of the changes were implemented.

I come now to Bill C-176 whose purpose is to give legislative effect to the recommendations of the Commons Standing Committee on Broadcasting, Films and Assistance to the Arts with respect to the legislative framework of the Company of Young Canadians. I shall deal with each section separately.

Section 1 repeals sections 3 and 4 of the original act and substitutes two new sections in their place.

If you look at the explanatory note opposite section 1, you will note that the original section 3 defined the Company of Young Canadians as consisting of, and I quote:

> The Council of the Company and persons who are volunteer members of the Company.

This left some doubt as to whether the officers and employees of the Company were included in the corporate body of Young Canadians, and in the course of its inquiry the Broadcasting Committee discovered that from time to time a split had developed within the company between the volunteers, officers and employees. The new section 3 differs from the old section only by including the words "officer, employees and", making it clear that officers and employees are part of the company. This change also firmly establishes the executive director as the chief operating officer with responsibility for volunteers as well as for employees.

Section 4 has to do with the composition of the council. The original section 4 provided for a council of 15 members, 10 of whom were to be elected by the volunteer members of the Company and the other five to be appointed by the Governor in Council. The new section 4 reduces the number from 15 to a maximum of nine and a minimum of seven, all of whom are appointed by the Governor in Council. After serving two terms a council member must wait until 12 months after completing his second term before being eligible for reappointment. There has been no change in this respect.

When this bill was being debated in the other place, the elimination of council members elected by the volunteer members of the Company proved to be one of the most controversial points in the whole bill. It was argued that one of the principles in founding the Company of Young Canadians was that the volunteer members should participate at all levels of decision making. Unfortunately, this has proven unworkable. In its report the Broadcasting Committee referred to this aspect of section 4 in the following words:

> Your committee is concerned that the number of volunteers on the council of the Company vis-à-vis the number of appointed members, can distort the objective deliberations of the Council. Therefore, your committee suggests that the composition of the council in this regard be given careful consideration.

This was based on evidence before the committee that the performance of the volunteer members during the previous three months had indicated that the fears of a conflict of interests had been justified. During that period no decisions which negatively affected the vested interests of any volunteers were undertaken. Requests for funds were by and large endorsed. As a consequence, it is being recommended that volunteers should not be members of the council. If that recommendation is endorsed by Parliament, it follows logically that the membership should be reduced.

It should be borne in mind, however, that the application of this section will not preclude volunteer members from having any participation in decision making because there is nothing in the main act or in this bill to prevent the Governor in Council from appointing volunteer members to the council in the future, and there is nothing to prevent the formation of grievance committees by the volunteers.

Also, section 16, subsection 2, of the main act provides for the establishment of an advisory committee which may consist of volunteer members of the company and other persons.

Some arguments were put forward in the other place and in committee that the volunteer members should be allowed to elect at least one or two of their number to the council. It was felt, however, that this would really be nothing more than a tokenism and would lead to undermining the authority of the executive director.

Another suggestion was that ex-volunteers should be appointed, and that a definite number should be stipulated in the law. The answer to this was that the performance of ex-volunteers on the permanent council was not exceptional and it would not be practical to tie the hands of the Government in this way.

The Company of Young Canadians is analogous to organizations such as the National Arts Centre and, in particular, the Canada Council. You do not find grant recipients on these policy boards, at least during the tenure of their grant.

Finally, if the Government is to assume its responsibilities for the Company of Young Canadians, it must assume responsibilities for the appointment of the policy board. This can only be done if all appointments are "at pleasure" but for fixed terms.

Some members in the other place argued that the appointment of all members of the council by cabinet results in "the Company of Cabinet Canadians". The reply to this argument is that members appointed by Governor in Council to similar agencies, for example, the C.B.C., Canada Council, National Arts Centre, et cetera, have historically proven their independence after appointment. Though the "at pleasure" appointment effectively means that the ultimate weapon of removal remains in the hands of the Governor in Council, nevertheless, it is a weapon which is not traditionally used, and independence of action by members is not impaired.

Section 2 merely repeals subsection 3 of section 6 of the main act, which has become redundant because once this bill is passed into law there will not be any more elected members on the council. This amendment is consequential on the amendments contained in section 1, which provides that all members of the council are to be appointed.

Section 3 repeals section 10 of the original act and substitutes a new section therefor. Section 10 has to do with the appointment of an executive director. You will recall that a few moments ago I said that the Broadcasting Committee in the course of their inquiry found that the executive director of the Company had been seriously hampered in the performance of his duties because his position and authority had not been sufficiently defined. The first paragraph of section 10 in the original act was permissive. It merely stated that "the Governor in Council may, on the recommendation of the council, appoint an executive director". The new proposed paragraph makes it clear that there shall be an executive director and that he is to be appointed by the Governor in Council.

The second paragraph of section 10 outlines the duties and authority of the executive officer. The original act merely stated that the executive director was responsible for the management and supervision of the work and staff of the Company. His relationship with the volunteer members was therefore left open to question. The new proposed section makes it quite clear that the executive director has complete responsibility for the supervision of the volunteer members as well as for the staff of the Company.

Section 4 is a very simple amendment to section 14 of the original act. The original section permitted the Company of Young Canadians to engage in activities in foreign countries. This new amendment limits their activities to Canada only. It is felt that with such organizations as CUSO in the field doing such splendid work it is not logical to duplicate their efforts.

Section 5 is a simple amendment to section 15 which, as I said earlier, sets forth the various areas or fields in which the Company would operate and the types of activities in which they might engage. The amendment in section 5 is consequential on the change in section 4. It merely deletes the two subparagraphs in section 15 which refer to work in foreign countries and which are no longer relevant since section 4 limits their activities to Canada only.

Section 6 adds a new section 20A to the present act. The purpose of this new section is to make Part VIII of the Financial Administration Act applicable to the company.

Section 7 amends section 24 of the present act. This section has to do with auditing the accounts and financial transactions of the company. This amendment provides for the annual audit to be carried out by the Auditor General instead of by an auditor appointed by the Governor in Council as required by the present act.

Honourable senators, there are some who hold that the amendments contained in this bill have effectively killed the C.Y.C. as originally conceived and that the company might as well be abolished. Others have stated that we should scrap the C.Y.C. and start all over again with some new agency. I do not think either of these views will bear serious examination.

Numerically the young people constitute a large part of our society and a very important part. They have strong views as to what is wrong with our society and a very great contribution to make in helping to put it right. In fact, through their programs the C.Y.C. has already demonstrated that they can contribute greatly to our society and also that they can encourage and involve youth in achieving its rehabilitation.

The challenges of our society still exist and there still exists a need for some means of enabling our young people to accept those challenges and also for mobilizing their youthful energies, enthusiasm and zeal in the service of their country and their fellow Canadians.

To abolish the Company of Young Canadians would be tantamount to saying that we had lost faith in them completely, that we were writing them off altogether as being incapable of meeting those challenges or of making any worthwhile contribution to the solution of our problems. That would be contrary to evidence, and to condemn all our young people because of the actions of a tiny minority would be completely unjustified.

If we started all over again with a different agency, since the objectives will remain unchanged and we will be dealing with substantially the same age groups, we would inevitably wind up with a body similar to what the C.Y.C. will be if these amendments are passed into law. The name of the agency might be different, but their operations and the framework in which they would be carried out would be essentially the same.

Bill C-176 is the product of experience and hindsight. We have learned from our mistakes and taken steps to correct them. The bill before us contains all the recommendations made by the Broadcasting Committee with respect to legislative framework except two—one which related to advisory councils and did not require legislative action, and the other which recommended compulsory consultation with government agencies and which was considered too restrictive as there may be times when the C.Y.C. will wish to operate independent of government structures.

The amendments in Bill C-176 will go a long way towards correcting the legislative deficiencies in the original act. I commend it to you for your support and rapid passage so that the council can be appointed and normal operations resumed. I may say that after second reading, it is intended to refer this bill to the appropriate committee.

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

ADJOURNMENT

Leave having been given to revert to Motions:

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, March 5, at 2 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 5, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Copies of Press Release, dated March 4, 1970, concerning an Agreement between the Governments of Canada and Mexico respecting Canadian imports of Mexican cotton yarn.

CONSTITUTION OF CANADA

JOINT COMMITTEE—FIRST REPORT PRESENTED

Hon. Louis de G. Giguère, for Hon. Maurice Lamontagne, Joint Chairman of the Joint Committee of the Senate and the House of Commons on the Constitution of Canada, presented the first report of the committee:

Your committee recommends that whenever a vote, resolution or other decision is taken, its quorum be set at seventeen members as long as both houses are represented, and also recommends that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof when seven members are present as long as both houses are represented.

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

Hon. Mr. Giguère: Honourable senators, I move that this report be considered at the next sitting.

Motion agreed to.

OFFICIAL LANGUAGES ACT

APPOINTMENT OF COMMISSIONER

Hon. Paul Martin moved:

That, in accordance with section 19 of an act respecting the status of the official languages of Canada, chapter 54, Statutes of Canada, 1968-69, this House approves the appointment of Keith Spicer, Esquire, as Commissioner of Official Languages for Canada.

He said: Honourable senators, I should like briefly to explain the legislative framework of this resolution, to comment on the qualities of the proposed appointee and to review briefly the functions that the Commissioner of Official Languages of Canada will perform.

Section 19(1) of the Official Languages Act, which was adopted by Parliament in the last session, provides that:

There shall be a Commissioner of Official Languages for Canada, hereinafter in this Act called the Commissioner.

Subsection 2 of section 19 provides that:

The Commissioner shall be appointed by Commission under the Great Seal after approval of the appointment by resolution of the Senate and House of Commons.

Subsection 3 describes the term of the appointment in these words:

Subject to this section, the Commissioner holds office during good behaviour for a term of seven years, but may be removed by the Governor in Council at any time on address of the Senate and House of Commons.

Honourable senators, the purpose of the motion I have now proposed is simply to comply with the requirement of the Official Languages Act. The approval of the other place was given on Monday last, and it now remains for us, pursuant to the act, to take the step that I have proposed.

[*Translation*]

Honourable senators will recall that the Official Languages Act gives considerable power to the Commissioner of Official Languages. He is to insure that the act is administered fairly and that the spirit, as well as the letter of the law, is observed whether one is speaking of the application of the law to Parliament, to the executive branch of the Government, or to any other federal institution.

He will be, to borrow an expression from the Royal Commission on Bilingualism and Biculturalism, a kind of linguistic ombudsman.

In order that he may carry out these duties, the Commissioner will have the power to make investigations either on his own initiative or on account of any complaint made to him to the effect that the status of an official language is not being recognized or where the spirit of the act is not being complied with in any of the federal institutions.

Following his investigation, the Commissioner will report to the appropriate official,

and he has the discretion, if action is not forthcoming that he considers adequate, to make his report to Parliament.

In addition, the Commissioner is instructed to make an annual report to Parliament reviewing the year's work.

[*English*]

I am sure that Mr. Spicer is more than adequately qualified to perform the duties which are outlined in the act and which will, if he is appointed, become his responsibilities.

Mr. Spicer was educated at the University of Toronto and the University of Paris, and holds graduate degrees in political science from both institutions. He has taught at the University of Ottawa, University of Toronto, Dartmouth College and York University, and is presently Associate Professor of Political Science at Glendon College at York University. He has published extensively on the subject of external aid in both English and French. He has also served as a researcher with the Royal Commission on Bilingualism and Biculturalism, and since 1961 has been a commentator on the French network of the Canadian Broadcasting Corporation.

In my judgment and that of the Government, Mr. Spicer is an example of an English Canadian who has studied extensively in the French language and French culture, and is perfectly bilingual. In this sense he is an ideal person to carry out the important responsibilities that I have mentioned. The Government, therefore, puts forward his name in order that his nomination may be approved at this time. I am grateful to the Leader of the Opposition for his willingness to second this motion.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, the Official Languages Act was passed with the agreement of all senators last year. Personally, I was very pleased with the unanimous decision because I had always been concerned about the fact that the British North America Act, as drafted in 1867, reflected only a, let us say, temporary situation. The changes that have taken place since that time justify, at least in the field under federal jurisdiction, that both the French and the English languages be considered equal.

Now, in application of the act, it is appropriate to choose a Commissioner of Official Languages whose appointment was provided for in section 19 (1) of the act, which was quoted by the Leader of the Government, and reads as follows:

> There shall be a Commissioner of Official Languages for Canada, hereinafter in this act called the Commissioner.

Here is the second paragraph:

> The Commissioner shall be appointed by commission under the Great Seal after approval of the appointment by resolution of the Senate and House of Commons.

The third paragraph is as follows:

> Subject to this section, the Commissioner holds office during good behavior for a term of seven years, but may be removed by the Governor in Council at any time on address of the Senate and House of Commons.

In other words, the same concept which applies to judges.

As to the specific responsibilities of the Commissioner, they are given in sections 25 and 26 of the act. I shall quote section 25 in full and section 26 in part. Here is section 25:

> It is the duty of the Commissioner to take all actions and measures within his authority with a view to ensuring recognition of the status of each of the official languages and compliance with the spirit and intent of this act in the administration of the affairs of the institutions of the Parliament and government of Canada and, for that purpose, to conduct and carry out investigations either on his own initiative or pursuant to any complaint made to him and to report and make recommendations with respect thereto as provided in this act.

Subsection (1) of section 26 reads as follows:

> Subject to this act, the Commissioner shall investigate any complaint made to him to the effect that, in any particular instance or case,
>
> (a) the status of an official language was not or is not being recognized, or
>
> (b) the spirit and intent of this act was not or is not being complied with
>
> in the administration of the affairs of any of the institutions of the Parliament or government of Canada.

Of course, we are talking about the duties of the Commissioner and I shall add that Mr. Keith Spicer's qualifications as listed by the Government Leader and also in the other

place—I had the opportunity of reading the House of Commons *Hansard*—are obvious. In my opinion, he has for the very delicate duties he will have to fulfill, a background, an experience, and I should say a mind which stems from his qualifications. We can be confident that he will be the interpreter as the act says, not only of the letter but also of the spirit of that law. This is why I am very glad to support this motion.

[*English*]

Honourable senators, as I have said, the Official Languages Act was passed unanimously by this house last year. In accordance with section 19 of that act we are today called upon to ratify the choice of the Government in the person of Mr. Keith Spicer as Commissioner of Languages. He appears to be fully qualified for this very difficult and delicate function. It will be an interesting experience to watch him exercise these responsibilities. I am hopeful, as I am sure all members of this House are, that he will be able to discharge his responsibilities in accordance not only with the letter but also with the spirit of the law as indicated in the text of the law itself.

Motion agreed to.

CANADA STUDENT LOANS ACT

BILL TO AMEND—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-135, to amend the Canada Student Loans Act.

Motion agreed to and bill read third time and passed.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 4, the adjourned debate on the motion of Hon. Mr. Martin for the second reading of Bill C-12, to establish the International Development Research Centre.

Hon. Allister Grosart: Honourable senators, this bill was fully explained to us yesterday by the Leader of the Government. I compliment him on his explanation and again on the major role he has played in bringing about the development of what will be a very important Canadian institution in the field of international aid. May I add that, as usual, he has in his explanation made the bill look rather better than it is.

The bill deals with two aspects of Canadian public policy with which members of this chamber are very familiar. One is international in scope, being the external aid program; the other is the broad subject of our own national research and development policies and efforts. The latter has been studied by Senator Lamontagne's committee in great detail over the last year and a half, and the former, the question of external aid, albeit limited somewhat to the area of the Caribbean, is currently before the Standing Senate Committee on Foreign Affairs.

The subject matter of the bill is the provision of a larger capacity and capability for research and development on the problems of the underdeveloped countries of the world. I think all honourable senators will agree that the upgrading of the level of research and development activity that can be applied to the problems of these countries is long overdue.

Perhaps I can do no better than quote the words of the Secretary of State for External Affairs when introducing the bill. He said:

> The gap between the low income and the wealthier nations of the world is to a large extent a science and technology gap.

Of course, this has been echoed by everyone who has studied this particular problem.

May I also quote an expert who is very familiar to honourable senators, Mr. Maurice Strong, President of CIDA, the Canadian International Development Agency. He said:

> —if there is anything that distinguishes the more industrialized countries from the less developed countries, it is the extent to which the fruits of science and technology have been applied to the process of production.
>
> On the other hand, in the less developed nations the effects of technological change have been rather different.

Mr. Strong went on to give some examples of that and pointed out that modern science and technology in the health and medical fields have had the effect of prolonging the lifespan in these countries, and this has been one of the causes of the current population explosion, the effects of which have been to negate to some extent the effect of the rise in the GNP of those countries.

Rather interestingly, he also pointed out that science and technology have resulted in the development in the developed countries of such things as synthetics, and their effect on developing countries has been to create substitutes for many of their primary products.

So, the world, and particularly the developed nations, is faced with the problem that the more we succeed in a material way the larger we make the gap between us and that other half of the world which is said to go to bed hungry every night.

I think we can all appreciate the necessity of help such as this bill contemplates in tackling this problem, when we recall our own problem. Canada is an advanced, industrialized country. We are spending this year perhaps $1 billion in the public and private sectors on Research and Development, and yet if there is any conclusion that would seem to be readily drawn from the evidence we have heard in the Science Policy Committee, it is that we are not doing enough; that $1 billion—of which $600,000 is federal Government funding—is not enough for Canada to spend to stay in the science and technology race. On the other hand, I am sure that $1 billion is much more than is being spent for the same purpose by all the low-income, developing nations. That raw fact seems to me to point up the seriousness of the problem facing the developing nations in this area of what I call the science and technology race.

This bill offers an initiative by Canada in this important field. The Government and Canadians generally are entitled to take some pride in the fact that in a way we are the first to take the initiative. If this centre is set up—as no doubt it will be under this bill—it will be the only institute of its kind in the world. There are some which have certain similarities, but there is none so clearly dedicated to the specific purpose of upgrading the science and technology capability of these developing countries.

The bill proposes an expenditure of five per cent of our external aid budget. This is a generous sum but, unfortunately, when it is compared with what should be our contribution and that of all the other developed nations, it is clearly not enough. The United Nations Advisory Committee on the application of science and technology recommends 10 per cent. The Pearson Commission which recently reported suggests that it should be five per cent not merely of all of our external aid budget but of our total national expenditure in Research and Development. As I have said, our total national expenditure is $600 million, and, according to my arithmetic, the requirement to meet the Pearson Commission's recommendation would be $30 million this year. The amount contemplated in this bill is $30 million over a five-year period.

[Hon. Mr. Grosart.]

I make these comparisons not to criticize the amounts that we are asked to vote today—we are making a start, and it is better to make a slow start than no start at all. We are, I hope, setting an example to some other developed countries. At least, this year we are increasing our own external aid program by some $25 million. It is a small amount but it is at least an increase at a time when regrettably other countires, and particularly the United States, are decreasing their total external aid allotments.

Honourable senators, as I say, there are reasons why we should take some satisfaction from endorsing this bill and its principle, but there will be some criticisms made. They will be made by those who know most about external aid, namely, those who need it most. It is always difficult, I think, for donor countries to assimilate gracefully the criticisms of recipients of aid. We find that in our private lives—certainly, it is so in the public sector. But I mention four possible criticisms that will be directed at us, and there may be many more. I do so for two reasons. First, we should avoid any complacency in our thinking, and any idea that by making this important gesture we are doing all we can do towards solving this very vital problem of research and development in the developing countries. The second reason is that if these criticisms that will come are considered in advance, then perhaps those who will have the direction of this program will be prevented from falling into some of the more obvious pitfalls that are in the path of any such institution as this.

The four criticisms that will come are these: (1) that the centre is to be located in Canada; (2) that there is built into it an element of tied aid; (3) that there is a very great danger that the amounts to be voted under this bill will be subtracted in the long run from our total CIDA budget; and (4) the almost excessive insistence in the bill upon complete Canadian domination of this board.

I hasten to say that I recognize the reasons for these stipulations in the setting up of this centre. Let me take first the location in Canada. My first impression when I heard of this proposal was that the ideal thing would be for Canada to set up at least four international development research centres. We could set up one in the Carribbean, one in East Africa, one in West Africa, and another perhaps in Southeast Asia. I am still not quite convinced that that would not be the best way of doing it, and the reasons are obvious. This would mean a Canadian presence in

these countries. We would be there on the spot, doing something to help.

Senator Connolly (Ottawa West) has often called to our attention the importance of this in connection with the work of voluntary agencies. There is certainly plenty of evidence that, by and large, the voluntary agencies have often been more acceptable in these countries with the type of operation they carry on than the public and national institutions there.

However, I bow to some of the experts who have considered this very carefully, and who seem to have reached the conclusion that for the time being, at least, there are good reasons why the centre should be located in Ottawa. However, the bill before us does not require that. The original draft of the bill did, but the committee of the other place amended it so that it is possible for the Board of Directors to decide to locate elsewhere, possibly in Montreal. By saying that I am in favour of its being located in Ottawa, I do not mean that I am as "centraliste" as the distinguished chairman of the Special Committee of the Senate on Science Policy, but Professor Taylor of the Geography Department of Carleton University has made a very strong case for the location of the centre in Ottawa, and I am rather inclined for the time being to agree that this is where it should be.

Honourable senators are well aware of the fact that there is no aspect of our external aid that is more subject to criticism than the fact that it is tied. "Tied" aid means, of course, that we seek in our largesse to retain the maximum Canadian benefit. Experts have estimated that the dollar-cost of the tying of aid is somewhere between 15 and 20 per cent of the f.o.b. value of that aid. Criticism is certainly understandable, because recipient countries naturally ask: Why, when you are helping us, do you insist on helping us with Canadian goods and Canadian people when in many cases we can buy the goods cheaper elsewhere, and perhaps get better people elsewhere? The criticism is there, and we have lived with it in spite of the fact that every international agency that has looked at this question has recommended strongly to all donor nations that they abandon the principle of tied aid.

I regret to say that I find the concept of tied aid certainly inherent in this bill, if not implicit, and in some of the statements that have been made. The Secretary of State for External Affairs in his introduction of the bill spoke, for example, of the spin-off of the money that might go to Canadian universities and to Canadian institutions. I hope, honourable senators, that that will be a very small spin-off, although I have no doubt that the centre will be under great pressure from Canadian institutions, commercial and otherwise, for their share of whatever amount is spent annually.

It would seem of the utmost importance that these research funds be spent in the countries we are endeavouring to assist. I am fully aware that in all the arguments we must consider public opinion in Canada. We must say, "Yes, we are giving this money, but do not forget we are keeping a little for ourselves." This is said to be the main argument. We must tie aid if we are going to convince the Canadian public that we should do this good thing. I would have preferred to have seen the Government bolder in this case and a little more ready to accept its responsibility.

The time has come when we should say to the Canadian public, "Do you believe in this, yes or no? If you say no external aid, let us have no external aid." We should, as soon as we can, get away from this halfway measure, this business of saying we are going to keep a little for ourselves. We do not need to. In terms of our problems and the problems of other nations we do not have to save 10, 20, 30, 40 or 50 per cent of the money that we are extending in aid to these nations. We can afford it.

There are other arguments in favour of tied aid, but most of them have been negatived in the developing processes in this field.

The element of the tying of aid may very well defeat some of the major objectives of this bill. Certainly it will dilute the dollar value of the benefit. To the extent that it adds to our own Canadian competence in R & D, it will lessen the extent of the objective of increasing the competence in other countries. This is a very important point. It is not enough for us to transfer scientific and technological resources from Canada and plant them in these countries. It is infinitely more important that we build up a competence in those countries. We will not do that if we are going to insist on tying this aid as we tied our $200 million or $300 million of external aid generally. Of course, the tying of aid leaves us open again to the criticism of self interest. The developing nations of the world think we have done pretty well in handling our own self-interest. The time has come when we should forget about that self-interest. The Good Book says that the Lord loveth a cheerful giver. A cheerful giver in my book is one who gives the bundle.

The other possible criticism is the close relationship there appears to be between Government thinking on this project and the Canadian International Development Agency budget. I was very sorry to hear the President of CIDA, Mr. Maurice Strong, for whom I have the greatest respect, say that this money would be "pre-empted from the CIDA budget." I do not think he meant that. Perhaps he meant it would be regarded as part of our total external aid. Even that is dangerous. I understand, for example, that the money for this particular project will be in a single CIDA vote. I think that is a mistake; it would be very wise to separate it. This brings it under fiercer scrutiny by parliamentarians and the public. It should be under scrutiny and we should have the courage if we are going to do this to take it out of this budget, put it in a single vote in the Estimates and say this money is for this project, the International Research Development Centre.

Hon. Mr. Martin: Do you mean over and above the amount allocated for external aid purposes?

Hon. Mr. Grosart: Perhaps I have not made myself clear.

The Leader of the Government asks if this was to be over and above the amount allocated for external aid purposes. No. I mean over and above the amount allocated for CIDA. What I am saying is the two should not be put in the same bundle, because we will then say that "the CIDA budget has gone up 10 per cent this year—we are approaching the Pearson target of one percent of G.N.P." But it will mean in the long run that whatever money is required for this project will not go into the general CIDA budget. I am merely saying that if we are going to do this, let us make it a separate vote in the Estimates and face up to it. If Parliament and the public do not like it, then let us not do it. If we put it in, let us take the responsibility for convincing the public of the tremendous importance of doing this and doing it now.

Finally, I come to the fourth point of criticism that I think will emerge. It is, what appears to be excessive emphasis on Canadian domination of the board. The board will consist of 21 persons, 11 of whom must be Canadians. The chairman of the board must be a Canadian and there must be a majority of Canadians in the Executive Council, the president of which fust be a Canadian. I do not object for one minute to a degree of Canadian control over the spending of Canadian funds. That control is implicit in the bill. The centre is required to report annually through a minister. The Leader of the Government informs me that this will be the Secretary of State for External Affairs. I rather regret that. I wish it were going through some other minister, in order to separate this operation from External Affairs. When the Government decides to appoint a minister of science, that would be the appropriate department to which this centre would report.

Hon. Mr. Martin: Do you expect that will be such a department in the near future?

Hon. Mr. Grosart: It would be highly presumptuous for me to even indicate at the moment my expectations, let alone my hopes.

I merely say "excessive" because the bill seems to be drafted in such a way that clause after clause says there must be this Canadian majority. The danger is that the people who are being helped will not be adequately represented. Are we going to consider the problems of the world from Ottawa? Again, I have some reservations about that because the countries that we are seeking to help are nearly all in the tropics. The developed countries, by an accident or as a consequence of history, are in the cold and temperate zones. There will be this problem of how to build up expertise in a tropical climate when regarding it from the snows of Ottawa or Montreal. I can appreciate the concern of the Government, of course, that this centre should not get into the situation of the Company of Young Canadians. They must have been influenced in the drafting of this bill by their lack of foresight in the drafting of the other.

Honourable senators, that concludes my observations.

Hon. Mr. Phillips (Rigaud): Would the honourable senator permit a question? Do you not think that in the distribution of the money from Ottawa there is a greater opportunity of the administration keeping cool?

Hon. Mr. Grosart: I would entirely agree, except to say that I hope the administration will not keep too cool. This is a subject on which it is extremely important that somebody gets "hot."

My final remark is to wonder to what committee this bill might be referred. If it is the intention of the Leader of the Government to refer it to a committee, I would suggest that it be referred to both the Special Committee on Science Policy and the Standing Senate Committee on Foreign Affairs. The subjects overlap both committees, and it would be a

useful innovation to have a joint meeting of the two competent committees to consider this bill.

Hon. Mr. Martin: It was certainly my intention to move that it be referred to the Standing Senate Committee on Foreign Affairs, but we can give some thought to the Senator's suggestion.

Hon. John J. Connolly: Honourable senators, this is a very important subject and is growing in importance of late; certainly, it is one that cannot be discussed completely in a short period of time. For that reason I propose to mention only a few ideas that came to me as I listened to Senator Grosart's speech this afternoon. We recognize his great interest in the field of foreign aid and the work he has been doing in the Special Committee on Science Policy. His experience and interests have contributed greatly to the discussion of this measure.

The bill seems to emphasize the importance of making available more and more technology to the third world, to the underdeveloped, or perhaps I should more properly call them the developing countries. We should keep in mind that while the problems and results of research apply to the difficulties of developing countries, we experience this precise problem among the developed countries of the world. The reports that emanate from OECD indicate that the technological status of the twenty or so developed countries who are members of OECD countries is anything but uniform. It is a great problem to try to bring some of the less technologically-advanced developed countries up to the level of the most technologically-advanced developed country, namely, the United States.

Since the war great strides have been made by some countries. I refer particularly to the Japanese and German experience in this field. I also think especially of such things as space activity and modern weaponry. Behind the Iron Curtain the Russians have done a great deal technologically, and we all wish that their technology could be applied primarily to peaceful rather than military purposes.

The institution contemplated in the bill will be a very useful tool for all countries who are urged to participate in foreign aid programs. Mr. Pearson's study "Partners in Development" indicates that the gap between the developing and the developed countries is not only great but is growing. That is true in relative terms. In absolute terms a considerable advance has been made since the aid programs began, and I think many of the so-called backward, underdeveloped, developing countries have made great strides since then.

I hope we all appreciate that, while everything we would like to see accomplished has not been realized, the money has not all gone down the drain; it has not all been wasted, although there may have been waste. But there is waste in everything, even in technological and scientific development. Sometimes projects have got off the ground and vast amounts of money have been spent on them in the developed countries—we may have examples of that in Canada—but some of these projects will not succeed. Maybe some foresight and courage should be shown in terminating projects of that kind. This will apply, of course, in the aid programs.

When people talk about aid they speak primarily of contributions to be made by the public sector. To my mind, the importance of the private sector cannot be over-emphasized. If a country through whatever kind of aid it gets reaches or approaches the take-off point, it seems to me that the private sector can do much to stimulate real development in that country. We have heard examples of that from witnesses who have appeared before the Standing Senate Committee on Foreign Affairs.

Difficulties are now arising from the establishment of investment in underdeveloped countries. There is a growing resentment, of which we have had evidence from many quarters, and which we see in the press, against the entry of the multi-national or foreign corporation into the business structure of the developing countries. Sometimes this resentment arises from a super-nationalistic feeling. That is perhaps natural to expect from a new country, a country that begins to be proud of its new-found independence. But there may be other factors, perhaps racial, perhaps economic, a feeling of the rich patronizing the poor, creating resentment, and in many cases leading to violence and riots. This problem will get worse before it gets better, and I would hope that an organization such as that contemplated by this legislation will have social scientists available to give advice in this respect.

I recall with interest that a few years ago I had the privilege of attending a meeting of the O.E.C.D., held for the O.E.C.D. ministers of science, wherein they discussed the relative level of technology in the developed world.

The Secretary General—whose name regrettably escapes me at the moment—was, in my opinion, one of the great men of the world. That gentleman, a social scientist, said that all the discussion in the course of the debate which lasted for three or four days was on a scientific level, and he felt that the influence of the ideas of the social scientists must be felt at all times, as well as the work of the economists and the political scientists. I think this is a highly important point for an organization such as the one envisaged here to consider.

I notice in clause 4 subclause 1(a) of the bill that there is power to enlist the talents of natural and social scientists and technologists of other countries. What Senator Grosart said about the centralization of this work in Canada may be justifiable as a form of criticism, but perhaps not now. I am glad to see this initiative taken by Canada because I think it is an important world initiative, and by taking it Canada is leading public opinion. The World Bank led public opinion, because after all, it is a monetary agency. Yet, it commissioned the Pearson Study on the problem of aid. This is another example of leadership which I feel is highly important at this particular time. While at the present time the bill requires that the officers and most of the governors be Canadians, I hope eventually there will be a mixture of Canadians and eminent people from other countries, whether they be developed or developing, as members of the board.

I would like to go further than that. Senator Grosart has said that he regrets to see that the CIDA budget is going to be eaten into. I think the explanatory note indicates that it will cost $1 million to establish this organization. We probably can ill afford to reduce the amount of our foreign aid by $1 million and continue the work that CIDA should do.

Hon. Mr. Martin: We are actually going to increase it.

Hon. Mr. Connolly (Ottawa West): In the normal course of events I think this is probably true, but I rather doubt that the increase would be as much as $1 million. Perhaps it may be—I do not know. I am no longer privy to the secrets of the Government, but I am glad to hear that. I would hope that this organization could be established not only upon a solid ground but in a way that would give it pre-eminence in the international field so that other nations who are concerned with the problem would be willing to help in financing the work. I think they will benefit if they do so.

Hon. Mr. Martin: And let us hope that the Canadian private sector is also willing to help.

Hon. Mr. Connolly (Ottawa West): Yes. The Canadian private sector perhaps could help too. But I would like to see other countries help endow this work—nations which are expected to give aid, who want to give aid and will give more aid, absolutely speaking than we do. We are a relatively small contributor in the field of aid in the public sector. I would hope that other countries would take an active interest in this work and help to finance it so that it can be conducted on a very high plane.

I agree with what Senator Grosart said about tied aid. In my opinion tied aid certainly increases the cost to the country that is getting it, and in some cases they resent it.

Hon. Mr. Martin: This brings a point to my mind. I know Senator Connolly is very familiar with this bill, but section 19 was designed to take into account possible assistance to the centre by the private sector in this country.

Hon. Mr. Connolly (Ottawa West): I appreciate the intervention of the Leader of the Government in that respect. I think this is a very worth while section, and will enable the private sector to get receipts for donations to this organization, as if they were for charitable, religious or similar purposes. But I do think that a greater amount of money could come from the participation of governments of other countries who are concerned with the general problem of aid.

I return to the question of tied aid because despite the fact that I agree with almost everything Senator Grosart has said, I think the political facts of life in Canada are such that even though it looks as if we are being selfish about the production that is to go out in the form of aid materials manufactured in Canada, it does provide for certain benefits here in the way of employment and the development of new techniques, and even an acceptance by public opinion of the value of foreign aid programs. The day may come when the aid will be untied, and when Government will not be encumbered with financial problems which make it difficult to balance budgets and reduce taxes. I am prepared to accept tied aid. Generally speaking, I think Canadians are prepared to accept it, even

though there are objections to it, as Senator Grosart has explained.

This bill represents a fine Canadian initiative, and whether it comes from Canada or not does not matter. It is a worthy initiative, because the matter of giving aid, the quality and quantity of aid, and the place to which it is to be directed has become a technique in itself. It is a problem that besets people, not only in the public but in the private sector. I feel that a good deal of the technique of this kind of work can be accomplished by an organization such as the one now proposed.

One might ask why this is not being done at the United Nations, or why it is not being done under some international auspices. Well, the international auspices have not always been able to measure up to the specific problems which I hope that this particular organization will attempt to tackle. If it succeeds in making that kind of a contribution to the general problem of the provision of aid, then I think it will have been, as I believe it is now, a very worthy contribution by a country anxious to play its full part in the aid programs.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Martin: I move that this bill be referred to the Standing Senate Committee on Foreign Affairs. I have not had an opportunity to give consideration to the suggestion made by Senator Grosart and therefore I have no alternative at this time but to move that it be sent to that committee.

Motion agreed to.

GRAIN

SEPARATE ACCOUNT FOR 1968-69 DURUM WHEAT—PAYMENT OF SURPLUS EARNINGS TO PRODUCERS

Leave having been given to revert to Motions:

Hon. Hazen Argue, pursuant to notice, moved:

> That, in the opinion of the Senate, the Government of Canada and the Canadian Wheat Board should take all necessary steps to keep the 1968-69 Durum pool account separate from all other grain accounts and to assure that all surplus earnings from the sale of Durum be paid to the producers of Durum.

He said: Honourable senators, I am pleased to move this motion at this time before the Senate, seconded by Hon. Senator McDonald, that the Government take action to remove what would otherwise be a grave injustice to the producers of Durum wheat, by taking action to make certain that the surplus which has been achieved by the sale of Durum wheat will in fact be paid to the producers.

I am pleased to be able to inform the Senate that a matter of half an hour ago or less the minister without portfolio in charge of the Canadian Wheat Board, the Honourable Otto Lang, announced in the House of Commons that action was being taken by the Government through an item in the Estimates to make certain that this particular thing be done.

I wish to congratulate without reservation Mr. Lang and the Government for having taken what I consider to be justifiable action in announcing that an appropriate item is being placed in the Estimates. I have no doubt that when this item reaches the Senate, we will give it our own full approval.

In addition to congratulating the minister without portfolio, I would like in the Senate to congratulate also a member of the House of Commons, Mr. A. B. Douglas, member for Assiniboia, who has taken great leadership with reference to this particular question and has, I am certain, had a real measure of influence in seeing that this has been brought about.

I myself took an interest in this for some time, and as long ago as January 28 of this year I issued a press release in which I endeavoured to point out the reasons why this kind of action by the Government was justified.

Hon. Mr. Martin: May I say that the senator who is now speaking and Senator McDonald sought to impress on me the importance of this matter; so they, too, deserve some credit.

Hon. Mr. Argue: I am sure it follows beyond question that the Leader of the Government in the Senate (Hon. Mr. Martin) was an active and influential voice within the cabinet supporting this proposition. I have no doubt that this is a fact.

Hon. Mr. Martin: I would have to say that that is a slight exaggeration.

Hon. Mr. Argue: Our leader is too modest. On Monday I phoned the secretary of the Saskatchewan Wheat Pool to discuss this and other questions, and he said he had just listened to our leader discuss, at a luncheon in Regina, the importance of national unity. I gathered he was just as highly impressed by the speech our leader delivered in Regina as we all are when he makes a speech in the Senate.

Under the circumstances I might make a short statement now as to why I feel the Government was justified and why I am certain the Senate will be pleased that this action has been taken. Throughout the history of the Canadian Wheat Board, hard red spring wheat and Durum wheat have in fact been kept separate. They have been kept separate just as oats and barley have been kept separate. Furthermore, when the Wheat Board Act was first enacted by Parliament, there was an oversight in the draftsmanship of the act. It was not specifically provided that Durum wheat and spring wheat as such would be kept separately. As honourable senators well know, because of the general collapse of wheat prices in the world, the Wheat Board, in its sales effort, suffered a very substantial loss in the wheat account. Without any separation in this account, what was in fact a surplus in the Durum wheat account would have been used to partially offset the deficit in the spring wheat account, and the Durum producers would have suffered accordingly.

As no doubt honourable senators know—and as Senator Paterson well knows—Durum is different from hard spring wheat. Hard spring wheat is basically used for bread. Durum is used chiefly in the production of macaroni and spaghetti, an entirely different type of food. That is why it is justified that these accounts be separate.

I have the annual Wheat Board accounts going back through the history of the Canadian Wheat Board, and in every single case, in every single year, the Durum wheat and hard spring wheat were kept separate. Of course, it was easy to keep them separate because there was a surplus in the spring wheat account and there was a surplus in the Durum wheat account and appropriate payments were made.

The production of Durum wheat is a specialty operation. It is more difficult to produce than spring wheat, and takes longer in the growing season. Ordinarily its yield is less than that of spring wheat, and farmers usually have greater difficulty handling it.

[Hon. Mr. Martin.]

The Producers' Association has made a splendid contribution to the Canadian economy by producing a specialty crop with a specialty market over and above the market for spring wheat. By producing this specialty group over the years, in the vast majority of years in which they have been selling Durum wheat, they have received a premium price. This year they, too, will be receiving a premium price, because they have produced what, in fact, is a premium grain.

There is a great deal of ill feeling on the prairies stemming from the present critical grain situation. There is talk of separatism. Whether you wish to think the feeling is real or fictitious, there is a good deal of talk of alienation and separatism. It would have been a grave mistake for the Government and for Parliament to have failed to deal with this question, because the producers of Durum wheat felt, I think rightly, that the money earned from the sale of Durum wheat belonged to them and to nobody else. Just because of a mistake made years ago in the draftsmanship of the original Canadian Wheat Board Act, they should not be penalized. So this is a very positive step the Government is taking to correct what would otherwise have been a very grave injustice.

I know that in this chamber we have supported this action, and I am certain it will receive the overwhelming support of the House of Commons. I might add that a Saskatchewan member of the provincial legislature, Mr. George Leith, M.L.A., placed on the order paper in that legislature a motion similar to this. This is another indication that the demand for this kind of action was widespread and was felt justifiable, and I am sure that all of us will approve what the Government has done.

I feel that the work done in this chamber and the debates that take place here have an important bearing on government action.

Hon. Mr. Martin: I will give you a good example of that: the proposal of the senator himself (Hon. Mr. Argue) with regard to lowering the voting age.

Hon. Mr. Argue: My leader reminds the Senate of the motion I put some time ago asking for a reduction of the voting age. Action is now being taken concerning that, and I am certain that by the next federal election Canadians 18 years of age will have the federal franchise.

Some years ago I promoted in this chamber a proposition that nearly every experienced

senator said to me was an impossibility, namely, that the contractors who had lost so much money in the building of the Great Slave Lake Railway should have the circumstances of their losses looked into with the expectation that action would be taken to help them recover some of their huge losses. Honourable senators of much greater experience than I had told me that it would be impossible to have such an inquiry, that it would be opening up a "whole can of worms". They said it was something the Government would not likely consider. I was pleased that a committee of the House of Commons considered the question and presented a motion to the Commons asking the Government to undertake a special inquiry into the situation. I am pleased to learn that as the days go by there is definite action towards having that inquiry take place. I am convinced that that motion in the Senate and the support it was given by honourable senators on both sides of the house materially assisted those in the other place who were also asking that the same thing be done.

As I said at the beginning of my remarks, I congratulate the Government without reservation for having announced an important step that will be welcomed by the wheat producers of western Canada. It is a good indication that the Government is able to look at an injustice and correct it.

Hon. Arthur M. Pearson: Honourable senators, I have but few words to say on this motion by Senator Argue.

In the first place, I should say that the congratulations are due to Senator Argue rather than to the Government. Several governments have been in power since the inception of the Canadian Wheat Board Act in 1935, but, with respect to this particular point, nothing has been done by any of them until now, when Senator Argue, one of those wide-awake young westerners, has discovered the discrepancy in the act. It is due to his efforts that we have this imminent change. I suppose the minister saw the motion on the Order Paper here and acted upon it. From that point of view I congratulate him for acting at this time. However, it is most surprising that since 1935, when this particular legislation was first enacted—in other words, for the last 35 years—this discrepancy in the drafting of the bill has gone unnoticed.

Section 25(1)(a) of the Canadian Wheat Board Act, which is found in chapter 44 of the Revised Statutes of Canada, 1952, says that the Board shall

> (a) buy all wheat produced in the designated area, offered by a producer for sale and delivery—

You will notice that it says "all wheat". Paragraph (b) of that subsection specifies certain sums for the grade No. 1 Manitoba Northern.

Now, anybody who has had anything to do with farming knows that No. 1 Manitoba Northern is not Durum wheat. The indication is that they meant at that time that it was only No. 1 or spring wheat that they were talking about and not Durum wheat. But if you go further you will see another item about oats and barley, showing that they did distinguish between the different grains. But in the first instance they said "all wheat", thereby mixing the Durum wheat with the No. 1 Manitoba Northern wheat, without distinguishing between the two.

This is a correction long overdue and I congratulate Senator Argue for pointing it out.

Hon. A. Hamilton McDonald: Honourable senators, Senator Argue discussed this motion with me some time ago and I agreed to second it. I had made some notes that might have been more applicable had it not been for the answer to a question that was put in the House of Commons only a few short minutes ago. The arguments are perhaps not relevant at the moment. However, I do want to give credit to Senator Argue, to the minister in charge of the Canadian Wheat Board, to the member for Assiniboia and others who have felt that it was only because of an oversight in the drafting of the original act that the Canadian Wheat Board was placed in the position for the crop year 1968-69, where in fact under the act they were not able to make a final payment on wheat unless there was a surplus in the total wheat account. And, as Senator Argue and Senator Pearson have pointed out, there is a surplus in the Durum wheat account, even though there is a deficit in the hard spring wheat account.

I can fully appreciate the fact that the Durum producer should receive his final payment regardless of the fact that there is a deficit in the total wheat account. As Senator Argue has pointed out in this chamber, in respect of the total area of western Canada, the Durum wheat producers are to be found only in certain areas of western Canada owing to the fact that the total area is not suited to the production of Durum wheat. But

many people who are in marginal areas have turned to the production of Durum wheat: (a) in the hope that they would be able to sell a greater quantity of their production; and (b)—though not necessarily in this order—to help out with the surplus of hard spring wheat. I think it would have been an extreme injustice to have taken money that belongs to Durum producers and to have kept it in the general wheat account because there was a deficit in the account for hard spring wheat.

I congratulate those who have made the effort and the Government for having taken the step they have today in announcing there will be an item in the Estimates to cover a final payment which is the Durum producers' own money.

I want to impress on my friends in other parts of Canada that it is not the Canadian taxpayers' money or the money of the producers of hard spring wheat in Canada, but it is the money of the producers of Durum; and to have taken it into the general account to offset losses in hard spring wheat would have been nothing short of thievery, in my opinion. However, it means the act must be amended in order to make the payment, and I hope it will be a permanent and not a temporary change.

This payment will be very helpful to the economy of western Canada. I am not certain of the amount of money involved, but it could be between $5 million and $6 million. I am sure all senators are aware of the economic situation in the Prairie provinces, and especially in my home Province of Saskatchewan, because Saskatchewan is more dependent upon agriculture, and especially upon the production of wheat, than the other Prairie provinces or any other part of Canada. This payment will mean a great deal to the economy of Saskatchewan as well as to the economy of the Durum producers. This injection of money into our economy will have beneficial effects not only on the farmers but also on the local governments and business generally in these provinces. This, together with the program announced by the Government a few days ago concerning wheat acreage reduction—a payment of $6 an acre for fallow in 1970 or $10 if kept out of production until July 1, 1971—will be helpful. I am not sure whether the Government and the Canadian Wheat Board will meet the target of reduction of 20 million acres—in fact, I do not think they will; but if we can take half of that amount out of production, then I think that in the long run it will be of great benefit not only to the Saskatchewan farmer but to the total economy of Saskatchewan and this nation.

We need only look back a few months to see the point in time when huge wheat sales coming out of the Prairie region of Canada saved this nation as far as the international balance of payments is concerned.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. McDonald: In my opinion, the production of wheat is no different from the production of any other commodity, and we have found that, when industry produces beyond the ability of the markets at home and abroad to absorb the fruits of their labours, industry shuts down its factories. What is the automobile industry doing today? It is closing its plants for days, weeks or months, as the case may be, simply because there are more automobiles on the factory lots and in the hands of the distributors and agents than the market will absorb. Producers of other raw materials, especially mines, have taken similar steps, and I think this is a proper step for Canada to take at this time.

For this program to be effective, our major competitors—namely, the United States, Australia and western Europe—must also take some land out of production. I am a little tired of listening to some fuzzy-headed socialists talking about taking land out of production when half the people of the world are going to bed at night hungry. They have been going to bed hungry for a long time when we have had surplus products, but to date the problem has been that no system has been devised whereby it is possible to get the surplus here into the hands of the hungry abroad.

A few years ago I had an opportunity to visit India, and at that time many millions of Indians were going to bed hungry. You did not need to ascertain that fact through conversations with anyone; all you needed to do was look at the deformity of human bodies because of the lack of food; and yet there was Canadian wheat rotting on the docks in India. Why? Because the hungry people of India, in many instances, were living from 500 to 1,500 miles away from the docks and there was no transportation system—railroads, highways or other—to take the food where it was needed. So, this is the major problem, the distribution of surplus foods from many areas to the hungry areas of the world.

Let us not be blinded by people saying they believe we should continue to over-produce

because there are hungry people in the world. I repeat, if you are going to feed the hungry, you must have a transportation system to move grain and other foodstuffs from places of over-supply to areas in the world where the hungry live. This problem has not yet been solved.

In one of the debates that took place earlier today, concerning foreign aid, it was said that we can do a great deal to solve that problem by producing surplus commodities in Canada, but if we are not able to move them out of our own nation it is not going to feed the hungry peoples of the world.

I give credit, not only to all those who have played a part in obtaining the final payment for producers of Durum in western Canada, but also to those who have advocated a program of acreage production to get our production down to levels where it will meet the demands of importing nations. I am confident that it will do a great deal, not only for the Prairie provinces and Canada but also for world trade, provided we are able to obtain the co-operation of other major producers of wheat products around the world; I give my wholehearted support to this and other programs announced in the last few days.

Hon. Paul Martin: Honourable senators, when I came into this chamber this afternoon I had no idea I would intervene in this matter. I was not aware that the question was going to arise in the form in which it has, through the initiative of Senator Argue. While this may somewhat disturb the agenda we had in mind, that is what this house and the other place are for, to deal with matters of national interest; and there is no doubt that the particular question and the general problem facing western agriculture is a matter of national interest that should concern us here as well as the other place.

It is significant that the only participants in the debate thus far come from western Canada, all from the Province of Saskatchewan, all from the one province in western Canada where the current wheat surplus situation is acute.

I rise now, as Leader of the Government in the Senate, because I am aware that some in western Canada have expressed more or less what is called a feeling of alienation, a feeling that the rest of Canada is not concerned with the problems that face western Canada, and particularly the problems that face the grain producer in the three Prairie provinces.

I have gone out west recently and—and I think all honourable senators, particularly those who come from other parts of Canada, should not hesitate to do this—to let them know that we are concerned with their problems; to emphasize to them that we live in an interdependent country, and that if there is economic dislocation in one part it is felt in other sections.

I told them in Regina last Monday that I did not support the allegations of alienation; I did not support the alleged grounds for that feeling, if it did exist to any extent, because we in the Government of Canada were concerned with the problems of western Canada. I told them that the people of the Atlantic provinces are sometimes concerned about the extent of interest shown by the centre in their affairs. I mentioned that in my own section of southwestern Ontario it was often suggested that the Government of Canada was not concerned with that peninsula projecting into the Great Lakes.

How fallacious, I argued last Monday and as I argue now, this point of view is. We are all concerned with what goes in any part of Canada, because this concerns all parts of Canada. It concerns the Government of course, because no government could survive, and no government would be a good government, if it were not concerned with the problems of the farmer and the western region, or for that matter all regions in Canada.

I think one of the reasons for the situation in western Canada is that we have not brought home to the people there what governments have done for them. I am not speaking now only of the government in which I presently serve; I am speaking in a broader way. I am greatly concerned about the preservation of unity in this country. If each section of the country experiencing these difficulties feels it is not appreciated by the other parts of the country, or by the national Government, then our integrity and our national unity is involved, and it will suffer. I do not believe that the separatist movement in any part of Canada will succeed—

Hon. Senators: Hear, hear.

Hon. Mr. Martin: —whether it be in the Province of Quebec or in any other section of Canada, including that region beyond Lake Superior.

We must recognize the fact, as Senator McDonald just mentioned, that the wheat farmer is in a difficult cash position, even though his sales will be higher. This year export sales of wheat and flour should exceed 375 million bushels, an increase of more than

70 million bushels over last year. The Government has devoted, and is devoting, great resources to the analysis of markets for grain, particularly during the past year. We have assisted the grain farmer in the short term by a number of measures, one of which was announced in the other place on Friday last by Mr. Lang, the minister responsible for the operations of the Canadian Wheat Board, and who is himself from Saskatchewan and represents the constituency of Saskatoon-Humboldt.

I can say, by the way, that Mr. Lang on whose shoulders rests a very heavy responsibility, has brought to this problem his abilities and dedication. During the past few months he has done all that he and others with him, including the Minister of Agriculture, could to find solutions to the serious problem that does face the western grain producer. He was able to reply positively in the other place to the member for Assiniboia, the successor of Senator Argue, with regard to the particular form of assistance that has provoked the motion of Senator Argue today.

I realize, and the Government realizes, that to reduce the surplus of wheat, to reduce the carry-over next year from some 900 million bushels to around 400 or 450 million bushels, is not to solve the problems of western Canada, but it is a very important effort to meet one aspect of this problem that stands in the way of a solution. It is hoped that by the reduction of the surplus of wheat the whole wheat market and wheat marketing arrangements next year will be put in a more balanced position.

The Government has decided, therefore, to put the taxpayers' resources to the extent of $100 million into a program designed to encourage farmers to reduce wheat production and transfer wheat land into summer fallow or perennial forage. This is not the kind of thing that governments like to do, and it is not the kind of thing that a country as rich as Canada likes to do, but in the circumstances it seems to be an essential thing to do.

We should not underestimate many of the other things the Government has done in its endeavour to meet this problem. The new quota system that Mr. Lang envisaged is structured in such a way that it will result in a substantial reduction of our wheat surplus. The new policy will also mean, as he pointed out last Friday, that the Government will at the beginning of each crop year indicate to the farmer, on the basis of the most recent marketing forecasts, the amount of grain he can expect to sell, and to guarantee him at the same time a firm figure per specified acre. Mr. Lang has also indicated that he and his advisory group are working on a proposal to revise the grain delivery system in a manner that will result in a reduction of costs and higher payments to the farmer.

Apart from all this, I wonder if we are reminding the western farmer of some other things that are being done. The Government, for instance, has provided a hidden subsidy to the grain farmer of close to $72 million in the last calendar year. The Government has to date made interest-free cash advances to the grain farmer in excess of $255 million within the last calendar year, and the cost to the Treasury will be somewhere in the neighbourhood of $14 million. We have increased the wheat and flour component of our external aid program to $70 million in order to help drain off the present surplus. As another part of our external aid program the Government proposes to allocate $12.5 million in the fiscal year 1970-71 for special low interest loans to developing countries to enable them to purchase Canadian wheat. One example of this was the recent sale to Peru, amounting to some 7.5 million bushels. This touches a small portion of the heavy surplus of close to one billion bushels, but it does represent the Government's efforts and the determination to do something about this problem. The Government is conscious of the criticism of sales methods. I believe from what I have observed in cabinet council and from reviews that are given by responsible ministers that everything is being done and every modern method of salesmanship employed to promote the sale of wheat and consequentially reduce the heavy surplus. More important I believe than any short term measures, and the proposal of last Friday is one, are proposals to provide a guaranteed quota figure at the outset of the crop year and to reform the transportation system. The Government intends to introduce in the next few weeks a revision of the Canada Grain Act, which will allow us to develop a portein grading system to adjust to marketing needs of Canadian wheat customers. Finally, the Government will introduce legislation before the end of the current session to provide for the establishment of national marketing agencies for various commodities. Therefore it is not correct to say that the federal Government has done and is doing little for the western grain farmer. All the measures I have just highlighted, with the possible exception of marketing legislation, which the Government has in mind, has been

[Hon. Mr. Martin.]

directed primarily to the western farmer. There is no doubt that substantial adjustments will have to be made in the organization, pattern of production, management and marketing methods of the agricultural industry in the next decade. The federal Government stands ready to help the western and other farmers to make these adjustments. This will be achieved directly and indirectly through the creation of and their participation in, together with members of all parts of the industry, such agencies as the Grain Council and the Agricultural Congress.

The federal Government's program, as I pointed out last Monday when I was in Regina, was not exclusively confined to agricultural assistance. Some of the developments of the new Department of Regional Economic Expansion have illustrated that the Government is seeking to deal with this problem which, quite naturally, has seized hold of the imagination and concern of the western people. We in Ottawa, in the Government and other parts of Canada must let them know that we are concerned with their problems. The Government and this Senate are concerned. I know their reaction. I know how they feel about these matters, not as well as the senators from the west. I feel that this debate, if it serves no other purpose than to enable us to translate our concern for them, will be worth while.

They are concerned about the application of our tariff system. The farmer says that he sells in the open market, yet he has to buy his goods at a higher cost because of our restrictive tariff policy. We have not been discussing this question openly and in sufficient depth to ascertain the real facts. There is no doubt that the tariff protects some Canadian producers to a certain extent at the expense of all Canadian consumers, including the western farmer. However, we must point out that the Government has implemented the General Agreement on Trade and Tariffs, which will result in a 20 per cent decrease in the general tariff level among its signatories. The tariff reduction in this area will benefit the westerner in two ways. His products will have better access to foreign markets and the manufactured goods that he imports will be less expensive. Even if it were true that the tariff structure considered alone favoured the central provinces, it is misleading in my judgment to use only the tariff in assessing the regional economic balance of this country. Every part of the country makes some sacrifices. Some eastern Canadians, I suggested the other day in Calgary, pay more for their gasoline because the oil they are buying is Alberta oil rater than imported crude. Moreover, there is an absolute ban on the import of American wheat, barley and oats. I am told that if Americans were allowed to export their wheat to Canada they could in some cases undercut Canadian prices.

It should not be forgotten that the taxpayers of Canada, through the policies of this and other governments, provide very substantial equalization payments. My point is simply that any analysis of the economic position of any region of Canada is a complex exercise, involving much more than a cursory examination of the tariff structure.

I may have made a generous interpretation of my rights at this moment, but I rose as a member of the Government to let western senators know of the Government's concern and that of all of us, no matter where we sit, for their problems. I do this because I am firmly convinced that we have before us in Canada a destiny second to very few countries in the world. Our destiny will be greater than that of Britain and France in the next decade. Therefore now is no time for each section to assert that because they have serious problems they are being overlooked by the Government, Parliament and other sections of the country. We certainly are going to persevere in our concern for the problems of all sections of Canada. I hope that we have demonstrated today our concern for the problems of one of the very special sections of the country, those great prairie lands which contribute so much to the satisfaction of the food requirements of people all over the world. Senators from the west may be assured that they are not alone in their concern for the areas from which they come.

Motion agreed to.

SALTFISH BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Petten for the second reading of Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

Hon. John M. Macdonald: Honourable senators, the principle of this bill is very easy to understand. Its long title explains its purpose: an act to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve

the earnings of primary producers of cured cod fish.

A Crown corporation called the Canadian Saltfish Corporation will be established by the bill. This corporation will become the sole buyer of cured fish and fish for curing. It will control the movement of such fish in interprovincial and export trade. The operations of the corporation will include the buying, assembling and grading of fish, processing, packaging and storing it, and finally, selling it. By this method it is hoped to achieve a two-fold objective: First, to improve immediately and to stabilize the earnings of the primary producer of cured fish; secondly, in a longer period to achieve an orderly phasing out of the traditional methods of cured fish production and replace such methods with modern ones.

As far as I have been able to learn, there has been no objection to the principle of this bill, although some apprehension has been expressed about the effects of some of the operations of the corporation and what could or might be the results of such operations. There has been general agreement on the need for such control for the salt fish industry if fishermen are to receive a better return for their labour, and indeed if the industry itself is to survive even in a semi-healthy state.

I will not go over the history of the difficulties of the industry, especially in Newfoundland where most of it is located. Yesterday, in sponsoring the bill the honourable Senator Petten gave a lucid, interesting and comprehensive explanation of the bill and why it was necessary. I was surprised to learn that the annual consumption of salted and dried cod fish had remained unchanged for decades. With the great growth of the fresh and frozen fish industry one would have expected it to be lower. However, apparently the traditional markets have diminished as certain countries, like Spain and Portugal, who are large users of such fish and good customers for it, have become more self-sufficient and their own fishing fleets now supply most of their requirements.

I was also somewhat surprised to learn that there were so many people—about 10,000 in Newfoundland alone—engaged in inshore fishing. I might here mention that anyone wishing to obtain a good description of this type of fishing in Newfoundland should read the evidence given by Mr. C. R. C. Molson of the Department of Fisheries and Forestry. It is most informative, and can be found on page 15 of the February 5 report of the Standing Committee on Fisheries and Forestry of the other place.

[Hon. Mr. Macdonald (Cape Breton).]

I mentioned that some apprehension had been expressed over what might be the result of some operations of the corporations. The statements and briefs presented to that committee of the other place by and on behalf of the Canadian Atlantic Salt Fish Exporters Association show this. I would commend to honourable senators the statement made to that committee by Mr. F. H. Zwicker, of Zwicker and Company Limited of Lunenburg, Nova Scotia, whose firm and family have been engaged in the salt fish business since 1789, and also the remarks of Mr. F. S. Smith of Halifax, whose firm has been in this business for over 100 years, and by others who accompanied them before that committee.

There are just two or three comments I should like to make on the details of the bill. Section 21(1)(b) says that no person, unless he has a licence from the corporation, can:

> send, convey or carry from a participating province to another participating province or to any other province, any cured fish or the by-products of fish curing.

That seems to be too wide. I think it would prohibit, for example, somebody visiting Newfoundland from taking a package of salted cod fish home to a participating province, the Atlantic provinces or Quebec. A tourist from the United States could take fish home with him, but somebody from Nova Scotia could not, and there is a large volume of travel between Nova Scotia and Newfoundland. I would suggest an amendment to the effect that no person could "send, convey or carry for the purpose of sale from a participating province to another".

Section 15(1) says:

> The corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by Parliament.

Then in section 25, dealing with agreements between the federal Government and the participating provinces, subsection 2 provides:

> With the approval of the Governor in Council, the Minister may, on behalf of the Government of Canada, enter into an agreement with the government of any province to which this section applies, providing for
>
> (a) the sharing by the province with the Government of Canada of initial

operating and establishment expenses of the Corporation and of any losses incurred by the Government of Canada as a result of the operations of the Corporation.

Those two sections seem to be contradictory. One says that the operations must be self-sustaining and the other says that the Government of Canada can enter into agreements with any participating provinces to cover the losses of such operations.

Section 23(2) is to the effect that the corporation can enter into agreements with the fishermen, upon price, and it provides in part that fish

—shall be bought by the Corporation from the fisherman or the producer upon such terms and conditions and for such price as may be agreed upon by the Corporation and the fisherman or the producer.

I would think that a fisherman from some outport in Newfoundland or Nova Scotia would have no bargaining power. It says:

—such price as may be agreed upon by the Corporation and the fisherman.

In this case the fisherman would have no bargaining power; he would have to take what the corporation gave him because the corporation is to be the sole buyer of this type of fish. If this section is to remain like that without any appeal to anybody upon the price, I think a move should be made to form an association of fishermen to provide them with some bargaining power with the corporation.

Section 19 deals with offences and penalties. Subsection 2 of section 29 is found at the top of page 16, and reads:

In any prosecution for an offence under this Part, it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

In my opinion, this is absolutely contrary to our whole principle of law. Our law, as I understand it, is that a man must be proven guilty. This section would bring in that system which I despise, wherein a person must prove his innocence. I suggest that the whole subsection 2 of section 29 be deleted.

Honourable senators, as I stated earlier, as to the principle of the bill there can be no objection. I understand it is wanted by all of those who are engaged in this type of industry. As I mentioned, there is some apprehension on the part of some producers and it is anticipated that some small plants would have to go out of operation when this corporation is operating. It might very well be that perhaps some fishermen too will find they are no longer able to operate, but apparently the saltfish industry is in such dire straits that it is necessary to have this type of control over it and for that reason there has been no opposition to the bill.

Hon. Malcolm Hollett: Honourable senators, it is not my intention to prolong the debate, except to make two or three remarks.

I am thinking about the argument that went on this afternoon in connection with the Durum wheat and that sort of thing. I am sure we can all remember the time when wheat growing and wheat sales were a matter for the wheat growers. It was a question of free enterprise. Socialism has since taken over, and today it has made the wheat farmer something less than a happy person. I am somewhat worried about this bill. We were brought up in a free enterprise system in the old days before the Liberal Government took over.

Mr. Speaker, there was much talk about this Government today by the honourable Leader of the Government, taking advantage of a motion that was made by Senator Argue. I think the remarks made by the honourable Leader of the Government had no bearing whatsoever on that particular motion. I was tempted on several occasions to rise on a point of order, but as he was the leader on the other side of the House—

The Hon. the Speaker: Order, please. I was waiting for an intervention by an honourable senator. May I repeat what I have said before? There is a fundamental distinction between the jurisdiction and powers of the Speaker of the other place and the Speaker of the Senate. It was agreed at the outset that I would intervene only at the invitation of an honourable senator, unless it is obvious that we are out of order. I was prepared to deal with the point of relevancy that is implied by the honourable senator had he intervened. I would hope that if on another occasion any honourable senator thinks he should raise a

point of order on a matter of relevancy of debate, he should do it immediately when the matter is under debate, and I shall deal with it directly.

Hon. Mr. Hollett: Your Honour, I agree with you entirely. I admit it was my fault and my negligence perhaps that I did not raise a point of order. However, it did no harm and I am quite sure that it gave the honourable Leader of the Government on the other side an opportunity to express his wholehearted belief in everything which his Government is doing and which it has done in the past. I do not wish to interfere any more on that particular point.

Honourable senators, I come from what was once upon a time wholly and solely a fish province. If we did not get a good price for our fish, we starved and went hungry. We did not have a wonderful government to come across and grant us so many millions of dollars to feed us. The saltfish industry in my younger days was it. I was brought up on saltfish, as were my ancestors; it was the main instrument we had to make a living. It was necessary for us to catch the fish, salt and dry them and then sell them to countries across the ocean, or we went hungry.

Before I left St. John's yesterday morning, I took a trip around the waterfront to see what ships were there. I found ships from Portugal and Spain, and I believe there was a Russian one there as well. They are all in the fishing business, particularly the saltfish business. In the old days we caught fish and sold them to these countries. Today it is very difficult to know just how or where we are going to sell them.

In Russia, Spain and Portugal, I believe socialism has again taken over from free enterprise. How long that can continue I do not know. You have the wheat situation out in western Canada to look at. In the whole of Saskatchewan the farmers cannot sell a grain of wheat unless the Wheat Board says, all right, we will give you so much money. If this act is going to create the same situation with regard to our saltfish industry, then I wish it had never been thought of. I am just saying this as a warning to the people who are going to set up committees to consider this bill. I am quite sure that the saltfish industry in Newfoundland is at the present time in a serious situation, although last year I believe our fisherman got anywhere from $30 to $35 a quintal. I remember when my old dad, along with about 14 or 18 men, loaded up the vessel with all of his summer catch and went to St. John's and were unable to sell a quintal. He came back and went to Halifax, and there they sold. They paid over $2.12 a quintal. Some people may not know what a quintal is—it is 112 pounds of dried salted cod fish, and that represents an awful lot of work. It takes a lot of work to dry 112 pounds of saltfish, because it has to be spread, and put away and then spread again, day after day so as to be cured properly. In those days, before the depression, we exported that salted cod in our own vessels and sold it overseas to Portugal, Spain, Italy and other countries. We did not get much money, but we were able to live on it.

Honourable senators, this corporation will have a very difficult task, but I am quite sure they can do something about the situation. I hope they will do a better job than the Wheat Board has done in the past. In fact, they must do a better job. I know that farmers in western Canada are not in a very good financial position today, although they have a corporation set up to give them the same kind of help as this corporation is supposed to give to the saltfish industry.

Honourable senators, the bill says it is an act to establish the Canadian Saltfish Corporation and to regulate interprovincial and export trade in saltfish. In this connection, I wonder how many senators here ever heard of fish and brewis. I am convinced that if the Canadian people knew what a wonderful meal fish and brewis is, they would be buying up millions of pounds of it. It makes a wonderful breakfast. In days gone by every Sunday morning everyone had fish and brewis. Sometime I will tell you exactly what it is.

Hon. Mr. Martin: Why not bring us some, instead of telling us?

Hon. Mr. Hollett: That is an idea. I had not thought of that.

Hon. Mr. Martin: We could have breakfast some morning.

Hon. Mr. Hollett: I am sure honourable senators would love it. Senator Carter will agree with me—he would like it, too.

I have no complaints about the bill, but I am a little worried about governments—not only this Government but governments of the world—taking over what was once free enterprise. Are we coming to the point where socialism will be the religion, if you like, of the world, as it is in certain countries which I will not mention today. We have to be very

[The Hon. the Speaker.]

careful here in Canada. We have vast resources and we ought to see to it that the Government does not gain complete control of these industries from the various companies which now are trying to run them to the best of their ability.

Honourable senators, in conclusion, I think this is an effort made with a good heart by the Government to help out fishermen in Newfoundland who are today dependent almost completely on the saltfish industry.

Hon. Chesley W. Carter: Honourable senators, if I seem to be speaking rather too frequently these days, it is because circumstances have conspired against me and have left me no alternative.

Senator Petten, in his excellent presentation yesterday, pointed out the tremendous importance of this bill to my province, particularly to our fishermen.

It so happens that next week I shall be away with the Special Senate Committee on Poverty and if I do not seize this opportunity to make my few remarks, and the observations I feel should be made, I might not get another opportunity. Therefore, I crave your indulgence at this time.

Senator Macdonald covered most of the points in the act which I wished to bring to the attention of the Senate. My main purpose in rising is to utter a note of caution. This bill has raised tremendous expectations in our province, particularly among our fishermen. I feel that there are obstacles which have not been assessed fully and that there is a grave danger that those expectations may be higher than the corporation will be able to deliver for some time.

The main object of this bill is to stabilize prices to the salt cod fishermen, so that at the beginning of the season they will know the minimum price they can expect to receive for their produce.

Incidentally, this legislation will also stabilize fresh fish prices. On the mainland of Nova Scotia, the fisherman has two markets for his fish—he has the ordinary fresh frozen market where he sells it to a fish plant for freezing and processing, or he can sell it to the unfrozen market, which usually pays a higher price. The existence of this unfrozen fish market keeps a floor under the price paid by the fish plant. In Newfoundland we do not have access to the unfrozen fish market and the saltfish is the only competitor with the fresh fish in order to keep the price stable. There is not much competition between one fish plant and another for the fisherman's fish. At times when there is an excess quantity, more than the fisherman himself can handle, unless he can salt his fish he would have to dispose of it to the plant for whatever they may wish to give him—and they may buy it for a cent a pound and utilize it for fertilizer or other purposes. Therefore, the fact that the saltfish industry exists is in itself a safeguard to the fisherman to put a floor under the price paid by the fresh fish industry.

To stabilize the saltfish prices, this legislation will give the corporation complete control over processing and marketing of salt cod fish. These are very simple and logical objectives, but they are very difficult to achieve. I would like to put on the record some of my reasons for uttering this word of caution today.

In the first place, this will require the cooperation of the fishermen themselves. There will be need of a rather extensive educational program, to impress upon the fishermen that it is in their best interests to comply and assist the corporation in carrying out their objectives.

Much will depend on the person chosen as president of this corporation. In the first place, he must have a knowledge of the fish industry and he must have experience in the fish business. He must also have management capability. Above all, he must be a person who will command the complete confidence of the fishermen. Without that he is not likely to succeed. Persons with all these qualifications are in short supply.

Honourable senators, a great deal of market research is needed in order to market our saltfish properly. That means research into the size and type of packaging required by various markets. A large body of cullers, graders and inspectors will be needed, and most of these will have to be recruited and trained to ensure uniformity of quality.

One most important factor in this question is that certain information is necessary to ensure maximum quality, and most of that is not readily available. I am not sure whether research has actually been carried out, but if so it has not been compiled and made available to the trade.

In respect of quality, our problem in the past has been that every fisherman in the saltfish industry has cured his own fish, the result being that we have had as many grades of saltfish as we have had fishermen. To remedy this situation, the curing process must be taken out of the hands of the fishermen, which I presume is what the corporation

intends to do. That will involve having the fish collected and taken to a central curing station; and that again, as compared to present methods, will cost a lot of money, thus eating into the profits of the company.

Another factor is that fish deteriorate quickly, almost as soon as they are taken out of water, so that the quality also depends on when, where and how fish is caught. Hook-and-line fish is generally of better quality than fish caught in gill nets or in dragnets or in cod traps. Deep water fish is generally better than shoal water fish; winter fish, generally speaking, is better than summer fish, although cod fish exist in a very narrow range of temperatures.

There is research needed to minimize the deterioration of all these various classes of fish.

When fish is out of water and brought to the curing station, the first step is to split the fish, that is, remove the sound bone, a process that is done either by hand or by machine, although the latter method is not as efficient as a good skilled fish-splitter. Usually the machine cannot adapt itself to the various sizes of fish so that much fish is simply wasted and thrown away.

We then come to the salting process itself. Here there is need of a definition, which I have not yet seen anywhere, of what is a light salted fish as compared to what is a heavy salted fish. I do hope that the corporation, when it gets going, will concentrate on the manufacture of light salted fish, because that is a peculiarly Newfoundland-type product which used to be known all over the world, and is in great demand even today. I believe Senator Petten and Senator Macdonald noted that world consumption has stayed stable at 250,000 metric tons and that the world trade is about 150,000 metric tons, but that is heavy salted fish. If we could supply light salted fish to the markets of the world, we could increase that by 25, 30 or even 50 per cent.

If we are going to have uniform salting we are going to need a uniform grade of salt, but salt varies in quality and in salinity depending upon its source. Moreover, some salt becomes infected with bacteria and, when it is used at certain times of the year, the developing bacteria cause what is known as pink fish, which is not a marketable product.

There is also a necessity for some research to be done on the size of fish bulk. Usually the fisherman stows his fish in a little pile about four feet by four feet, or four feet by five feet, although there is no fixed size. There should be a definite size fixed by regulation, prescribing a particular area—for example, four by four or 16 square feet; and also by regulation there should be a certain amount of salt by weight or volume for that given area. This would result in uniform salting. The bulk should also have a specific height. If the pile is raised above a certain height, the cumulative weight becomes such that the pickle and salt and moisture are pressed out of the bottom layers and the quality of the fish on the bottom is therefore much poorer than the top layers.

The answer to all these matters is the making of regulations. There should be a regulation to govern the size of the bulk; there should be a regulation to fix the size of the aluminum bins; there should be a specified measure of salt for whatever area the bulk is; aluminum bin shelves should be specified, and so on. All these things require regulations.

However, the only regulations in the act are to be found in section 15, where the Governor-in-Council makes regulations, and those do not refer at all to the type of regulation I am suggesting. On page 5 of the bill it says in clause 7(j) that the corporation has the power to "do all such other things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under this Act". But whether that power would include the making of the type of regulation I have in mind or the carrying out of the research required for the reasons I have stated is not clear to me.

The second last stage in the process of the saltfish industry is the drying of the fish. In the last few years fish has been dried in artificial dryers, which are being improved from year to year, but it is difficult to produce the light salted fish product in an artificial dryer owing to the fact that it must spend some period of time in the sun. It is also necessary for a chemical process, referred to by local fishermen as "working", to take place. This is accomplished by drying the fish to a certain point and then stockpiling it and leaving it in storage for a fixed period of time during which the process referred to as "working" takes place. I am not aware what the chemistry of that process is, but apparently it enables the salt and moisture to permeate the fish much more evenly than would otherwise be the case.

Finally, each market for saltfish has its own particular requirements of moisture content

so that every market has to have a different type of product.

To overcome all these obstacles is going to be a formidable job, and while we wish this corporation every success we must bear in mind that the amount of success achieved is going to depend in large measure upon the amount of co-operation achieved between the management of the corporation and the fishermen concerned.

Hon. Nelson Rattenbury: Honourable senators, I am most interested in the debate on this bill. It is not my intention to discuss the provisions of the bill but rather to continue Senator Carter's remarks concerning the degree of co-operation required between the fishermen and the corporation, if the whole project is to be successful—and I am certainly aware that we all hope it will be successful.

Mention was made of the loss to the saltfish industry of the traditional markets of Portugal and Spain, the reason given being that these two countries came up with their own ships and began shipping off the Grand Banks. But that is not the whole truth so far as losing the markets is concerned. Another important aspect is quality. There is another traditional market for our saltfish in the Caribbean area. It has gone on for many years but it has deteriorated, not because the West Indians have come up to catch the fish off our shores, but because of a lack of quality and because of price. I feel those are things that must be corrected. If they are to be corrected by subsidization or quality control, as Senator Carter mentioned, or a combination of both, is a matter to be decided; but, at the moment, we are not losing the market, we have lost the market through those very essential elements in the marketing of any product.

I have had a long and, perhaps I can say, continuing association with the Caribbean area generally and, for the first time in my life, when I went down there this year I could not enjoy salt fish as only the West Indians can prepare it—fish and ackee, frizzed fish and various other dishes. The fish was not edible. I went into a supermarket about the size of this chamber and the fish were about "yea" thick but the colour of that desk, and I knew from ten feet away that I was approaching the area where the salt fish was. That is the image of Canadian salt fish in that particular area of the country, and I do not know what it is elsewhere.

I am glad I have had the opportunity to participate in this debate so that my remarks will be recorded in the *Debates of the Senate,* because this is an area the corporation should look into very soon after its inception.

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

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Carter, seconded by the Honourable Senator Kickham, for the second reading of the Bill C-176, intituled: "An Act to amend the Company of Young Canadians Act".—(Honourable Senator Yuzyk).

Hon. Paul Yuzyk: Stand!

Hon. Paul Martin: Honourable senators, I know that Senator Yuzyk has an engagement which he must keep. It is not his fault that this order was not reached earlier; nor is it anyone's fault, because we are a debating institution.

I rise at this time, not to oppose the request for the adjournment of the debate, but to say that we are hoping to give Royal Assent to this bill on Thursday next. I assume there will be no difficulty in so doing. We could give this bill second reading on Tuesday and refer it to committee on Wednesday. Perhaps Senator Macdonald could help me in this regard.

Hon. John M. Macdonald: I see no objection to that course being followed. Senator Yuzyk can speak on Tuesday evening, and the committee will be meeting on Wednesday.

Hon. Mr. Martin: This would be the Committee on Legal and Constitutional Affairs.

Hon. Mr. Macdonald: Yes.

Hon. Mr. Yuzyk: I am not aware of any others wishing to participate in the debate. My speech will take about a half hour, and I think I can complete it on Tuesday. Then the bill could go to committee on Wednesday, and I think it should be ready for Royal Assent on Thursday.

Hon. Mr. Martin: Thank you.

Order stands.

DEEP SEA FISHERIES ACT

BILL TO REPEAL—SECOND READING—DEBATE ADJOURNED

Hon. G. Percival Burchill moved the second reading of Bill C-133, to repeal the Deep Sea Fisheries Act.

He said: Honourable senators, this bill is to repeal the Deep Sea Fisheries Act, which was passed in 1882 and was amended in 1891. This act had its origin, following the Halifax Award, under the Treaty of Washington in 1871.

Under the Treaty of Washington of 1871 reciprocal privileges were granted to United States and Canadian fisherman in the territorial waters on the Atlantic coasts of Canada and the United States. The treaty provided for the appointment of a commission to assess the greater value of the fishery privileges granted by Canada over those granted by the United States. Although, of course, you are all familiar with this, I am reviewing it to refresh your memory of Canadian history.

The commission met in Halifax and assessed an extra value to the United States at $5,500,000, which the United States paid in 1879. Of this amount, $1 million was handed over to Newfoundland and the balance to the Government of Canada. Following this the Deep Sea Fisheries Act was passed.

The act empowers the Governor in Council to authorize the payment of an annual grant not exceeding $160,000 "to aid in the development of the sea fisheries of Canada, and the encouragement of the building and fitting out of improved fishing vessels, and the improvement of the condition of the fishermen." The act also authorized the Governor in Council to make "such regulations as he deems necessary or expedient respecting the payment of the said grant."

Under the authority vested in him, the Governor in Council by regulations authorized the payment of bounty to fishermen engaged in deep-sea fishing for at least three months, and for catching a prescribed quantity of fish. The amount of bounty which was payable to individual fishermen applying for it has varied over the years, depending on the number of applications. In the period between 1957 and 1967 it averaged about $10.

Since 1882, when no other assistance was provided to fishermen, various forms of assistance have been provided to them, such as subsidies to fishing vessels, which run into millions of dollars. In 1928 the McLean Royal Commission, investigating fisheries of the Maritime Provinces, recommended that the amount provided in the act be devoted to some other productive uses; and in 1965 section 5 of the Fisheries Development Act authorized payments for various purposes to the fishing industry. So the expenditure of $160,000, distributed in small bounty payments to individual fishermen who made application, became an archaic practice and, consequently, the Government decided to repeal the act.

Hon. Mr. Kinley: Did the small boats get nothing?

Hon. Mr. Burchill: The individual fisherman did.

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

PRIVATE BILL

NATIONAL FARMERS UNION—SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald moved the second reading of Bill S-22, to incorporate National Farmers Union.

He said: Honourable senators, it is with some hesitation that I move the second reading of this bill at this time, and I have two reasons for that hesitation. The first is that it is late in the day, and the second is that the attendance of senators is rather sparse. However, there is some urgency, as the promoters of this legislation would like to appear before the Standing Senate Committee on Banking, Trade and Commerce next week, if it is the wish of this House that the bill be referred to that committee.

It is unfortunate that on many occasions we face such a situation as we do this afternoon. It is Thursday, and I notice that the honourable senators who are present now are those who are always present.

Hon. Mr. Haig: We are prisoners.

Hon. Mr. McDonald: There are 24 senators from the Province of Ontario, and as I look around the chamber at this moment I see but one, the Leader of the Government. There are 24 senators from the Province of Quebec, all of whom should be here but there are none.

Honourable senators, I become a little tired, as I am sure my colleague, the Whip on the other side of the house, does, in attempting to keep sufficient people in the chamber on Thursday afternoons, not only to meet the requirements of the quorum but to carry out

the business of the house in a proper fashion. It seems to me that honourable senators from Ontario and Quebec are showing ingratitude when they are the greatest culprits in non-attendance in the chamber, especially on Thursday. These honourable senators are but a matter of an hour or two in travel time from their homes, and they have bus, rail, and air transport facilities. If the rest of us who live long distances away wish to return home for the weekend, either to visit our families or to carry out the business of the nation, then it is necessary for us to leave earlier on Thursdays. But, I submit to the house that there is no reason why any honourable senator from Ontario and Quebec should have to leave the chamber prior to the adjournment on Thursday.

A short while ago we met at 3 o'clock on Thursday afternoons, and we found that many of our colleagues left at 4 o'clock. The time of meeting was moved forward to 2 o'clock, and those same senators left at 3 o'clock.

Honourable senators, this is not good enough. Our honourable colleagues from Ontario and Quebec ought to stay in this chamber until the adjournment on Thursday, and let those of us whose homes are at great distances get away at least once in a while.

Some Hon. Senators: Hear, hear.

Hon. John M. Macdonald: Perhaps we should meet at 11 o'clock on Thursday mornings.

Hon. Mr. McDonald: If I had anything to do with it we would meet at 11 o'clock on Friday morning as well as on Thursday.

Perhaps my colleagues from the central provinces have no interest in the National Farmers Union, but today is no different from any other Thursday, so perhaps that is not the case.

I shall take only a few minutes to explain this bill to incorporate National Farmers Union. It is straightforward and it is in the form of other similar legislation that has been before this house on many occasions in the past. Instead of dealing with the bill in extended terms perhaps it would be better to give a short review of the history of farm unions across Canada.

In April of 1953, by a special act of the Manitoba Legislature, the Manitoba Farmers Union was formed. In the Province of Saskatchewan the first farm union was incorporated in February 1927, under the name of United Farmers of Canada, Saskatchewan Section, Limited. That name was subsequently changed by a special act of the Saskatchewan Legislature, assented to on April 8, 1950, to Saskatchewan Farmers Union.

The Farmers Union of British Columbia was incorporated as a society under the Societies Act of British Columbia by certificate dated July 4, 1961. An unincorporated association known as the Ontario Farmers Union came into existence many years ago, and has continued to be unincorporated.

These organizations met in Winnipeg with other interested persons from Alberta, Quebec and the eastern provinces in July of last year, and decided to form a national organization to be known as the National Farmers Union. A draft constitution was proposed and an executive elected at that time. The executive board of the newly formed National Farmers Union resolved to seek a federal charter for the better attainment of its objects, and they instructed their solicitor to act accordingly.

In an interview, the Director of the Company's Branch of the Department of Consumer and Corporate Affairs, Mr. L. Lesage, indicated that the scope of the Canada Corporation's act was not sufficiently broad to permit a merger or amalgamation of the specially incorporated Saskatchewan Farmers Union and Manitoba Farmers Union with each other and with the Farmers Union of British Columbia incorporated under the British Columbia Societies Act; nor was the scope of the legislation broad enough to encompass the formation of a farmers' organization because of the restricted meaning of the word "professional" in section 114(1) of the Canada Corporation Act. Therefore, the National Farmers Union, after consultation with their legal counsel and officials in the Department of Consumer and Corporate Affairs, have come to the Senate with a bill to incorporate their national organization.

I mentioned at the outset of my remarks that the bill is straightforward, and the only section to which I wish to draw your attention is section 3 on page 3, which sets out the objects of the organization as follows:

> (a) to promote the betterment of farmers in the attainment of their economic and social goals;
>
> (b) to conduct projects for the benefit of farmers in the development of markets for and marketing of farm products;
>
> (c) to achieve the reduction of costs and other measures designed to increase the economic benefits of farming;

(d) to conduct educational and research projects for the benefit of farmers;

(e) to promote and secure legislation and other forms of government action for the benefit of farmers;

(f) to promote a higher standard of community life in agriculture; and

(g) to provide services for its members consistent with its objects and work jointly with any other persons or organizations for the attainment of its objects.

The head office of the union will be in Winnipeg, Manitoba. If it wishes at any time to move its head office, it must so notify the Minister of Consumer and Corporate Affairs.

The board of directors will consist of those persons named in clause 1, and there is power in the bill for the regulation of membership. The bylaws shall be passed at an annual convention, and the official languages of the National Farmers Union shall be English and French.

All other details that honourable senators wish would be better ascertained from representatives of the Union when they appear before the committee of this house. It is in the interests of farmers in general to have one large national organization or union, rather than the present hodge-podge of provincial organizations. I recommend this legislation for your approval.

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

THE ESTIMATES

SUPPLEMENTARY ESTIMATES (B) TABLED

Hon. Paul Martin: Honourable senators, I wish to table Supplementary Estimates (B) for the fiscal year ending March 31, 1970. They were tabled in the other place earlier this afternoon.

REFERRED TO COMMITTEE

Leave having been given to revert to Notices of Motion:

Hon. Mr. Martin: Honourable senators, with leave of the Senate, and notwithstanding the provisions of Rule 45 (1)(e), I move:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (B) laid before Parliament for the fiscal year ending the 31st March, 1970.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move, seconded by Hon. Mr. Rattenbury, with leave of the Senate, and notwithstanding the provisions of Rule 45 (1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, March 10, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, March 10, at 8 p.m.

THE SENATE

Tuesday, March 10, 1970

The Senate met at 8 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers.

NUCLEAR NON-PROLIFERATION TREATY

STATEMENT BY LEADER OF THE GOVERNMENT

Hon. Paul Martin: Honourable senators, I wish to make a statement regarding the Non-Proliferation Treaty referred to in the other place by the Secretary of State for External Affairs at the end of last week.

The six-year search for an instrument to prevent the proliferation of nuclear weapons came to a successful conclusion last week. I believe that the Senate should take note of this historic achievement. I refer to the Nuclear Non-Proliferation Treaty which came into force on March 5, 1970. The ceremonies held last week in Washington, London and Moscow, at which the United States, the Soviet Union and a sufficient number of other states deposited their ratifications to bring the treaty into force, were the culmination of many years of persistent negotiations in which Canada played an active role.

The Non-Proliferation Treaty is the most important arms control measure to come into effect to date. It represents the best solution that could be agreed upon among the countries concerned to meet the dangers inherent in the spread of nuclear weapons. Its significance extends beyond this immediate objective, however, and relates also to the promotion of the peaceful uses of nuclear energy.

Canada ratified the treaty on January 8, 1969, as I advised the house on January 21, 1969. In doing so, it became the first nation with a technological capacity to produce nuclear weapons to ratify the treaty; that is, it became the first "near-nuclear" nation to renounce its nuclear weapon option. When the treaty was opened for signature on July 1, 1968, Canada was one of the first countries to sign it. We actually signed the treaty on July 23, 1968 and it was ratified January 8, 1969. More than 90 other countries have now signed, but some of the initial momentum that the treaty had gathered was lost during the delay of more than 18 months. Only 47 ratifications have been deposited to date.

We trust that many more countries will adhere to this treaty and that it will become a truly effective covenant to implement wider control over nuclear weapons. It is crucial to the success of the treaty that the near-nuclear nations should adhere to it. Although five of the eight have now signed—Canada, Sweden, West Germany, Italy and Japan—of these, only Canada and Sweden have ratified. India, Pakistan and Israel have not signed the treaty yet.

Hon. Mr. Flynn: Has France signed it?

Hon. Mr. Martin: No. The countries I was referring to were the near-nuclear countries.

The main provisions of the Non-Proliferation Treaty are that under Article I nuclear-weapon states adhering to it are prohibited from transferring the possession of nuclear weapons to any non-nuclear-weapons state and from assisting non-nuclear states to acquire nuclear weapons or other nuclear explosive devices. Under Article II, non-nuclear-weapons states adhering to the treaty are prohibited from manufacturing or otherwise acquiring nuclear weapons or explosive devices. Under the enforcement provisions of Article III, the non-nuclear-weapon states adhering to the treaty agree to accept international safeguards to be negotiated with the International Atomic Energy Agency in accordance with the agency's safeguards system which is designed to prevent the diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Essentially, these agency safeguards would involve keeping track of fissile material and ensuring that it is not diverted to forbidden uses.

Perhaps one of the more significant provisions in the treaty is Article VI, under which the nuclear-weapon states undertake to pursue negotiations in good faith on effective measures relating to the cessation of the nuclear arms race at an early date. This obligation on the part of the nuclear-weapons powers was the direct result of the insistence by the non-nuclear states that their renunciation of a nuclear weapons option by adhering to the treaty should be balanced by measures to curb what is called the vertical proliferation of nuclear weapons in the arsenals of the super powers. Indeed, the strategic arms limitations talks (SALT) between the United States and the Soviet Union, which are due to resume in Vienna on April 16, are a positive step in the direction of the implementation of this obligation on the part of the two major nuclear powers.

I am sure that honourable senators will join me in welcoming the coming into force of the Nuclear Non-Proliferation Treaty.

Hon. Jacques Flynn: Honourable senators, we on this side are pleased to join the Leader of the Government and all members of this house in welcoming the coming into force of the Non-Proliferation Treaty. It is another step in the right direction, a step on a very long road, on which we started six years ago, as the leader has said. Canada signed the Treaty at the beginning of 1969; and the Soviet Union and the United States ratified it only in November last. Now we have the required number of countries for the coming into force of the Treaty.

This is a great achievement. However, we should not be satisfied and stop at this point. As was indicated by the Leader of the Government in response to my interjection, France has not signed, and it is an important nuclear nation. Neither has China signed, another great nuclear power.

I think we should not be satisfied until all of the nuclear powers, as well as all the near-nuclear nations, have adhered to the treaty. Once we have all these nations in agreement on non-proliferation, we should then set out to destroy all the presently existing nuclear arms which, until they are destroyed, will always represent a real and potent danger to the entire world.

DOMINION COAL BOARD DISSOLUTION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-161, to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

Bill read first time.

Hon. Mr. Martin moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I should like to ask the Leader of the Government a simple question concerning Bill C-161 which has just received first reading. Has that legislation been before this house previously during the current session?

Hon. Mr. Martin: Yes. Honourable senators, this bill was dealt with by the Senate, but when it went to the other place exception was taken to the powers of the Senate to deal with the measure which, according to the Speaker of that house, was a money bill.

That was not the advice that had been given to the Government Leader in the Senate, and I am bound to say with great respect that I think that the position taken by the Senate was the correct one. I simply wish to recognize the fact that that action was taken in the other place. I point out that our Rule 61 reads as follows:

> When a bill originating in the Senate has been passed or negatived a new bill for the same object shall not afterwards be originated in the Senate during the same session.

If these words were to stand by themselves, perhaps it could be argued that there was an obstacle to our dealing with the measure. However, I believe that this rule is limited in its application, especially with reference to bills. In *Bourinot*, Fourth Edition, at page 546, that distinguished authority has this to say:

> —when a bill has finally passed, it cannot be introduced again in the House where it was presented... But there are ways of evading this rule, when the necessity arises. For instance, if a bill begun in one house be rejected in the other, "a new bill of the same matter may be drawn and commenced again in that house whereunto it was sent."

I believe it follows that leave is not required in the Senate to proceed with Bill C-161, which originated in the House of Commons.

Hon. Mr. Connolly (Ottawa West): If *Bourinot* is right, that is a complete answer, but I wondered if the reintroduction and reconsideration of the bill by the Senate is in order. But on that basis it is.

Hon. Mr. Martin: That is right.

THE SENATE

ATTENDANCE OF SENATORS—QUESTION OF PRIVILEGE

Hon. Sarto Fournier: Honourable senators, I rise on a question of privilege. When I arrived in the chamber this evening I read at page 662 of the *Debates of the Senate* for last

Thursday, that Senator McDonald—that is the Whip—said this:

> There are 24 senators from the Province of Ontario,—

Hon. Mr. Choquette: There are two Whips, both bearing the same name. Which one do you refer to?

Hon. Mr. Fournier (de Lanaudière): I mean the one on this side. He goes on to say:

> —and as I look around the chamber at this moment I see but one, the Leader of the Government. There are 24 senators from the Province of Quebec, all of whom should be here but there are none.

This is a fine compliment from the honourable gentleman!

On looking at the *Minutes of the Proceedings* for the same date, Thursday, March 5, I notice the presence of the honourable Senators Beaubien, Bourget, Bourque, Denis, Deschatelets, Desruisseaux, Dessureault, Eudes, Flynn, Fournier (de Lanaudière), Gélinas, Giguère, Lefrançois, Méthot, Phillips (Rigaud) and Quart. Their presence had been registered here, and yet the honourable gentleman at the very moment he spoke would have liked to see everybody—even those who were dead or who had resigned—around at his knees to applaud him.

Honourable senators, I would like to receive an explanation from the Whip on this side who does us the honour of saying that we were all absent on March 5, 1970—as if he has never been absent, as if he had no other occupation, or was never busy elsewhere. I would like to ask the honourable senator why he said this with respect to those from the Province of Quebec who are dead or who have resigned; and particularly with respect to those who, for other reasons, were not here, when the *Minutes of the Proceedings* of the Senate record our presence.

Hon. A. Hamilton McDonald: Honourable senators, I will be very pleased to reply to the comments of my honourable friend.

It is quite true that the *Minutes of the Proceedings* show that many senators were present during the sitting of Thursday, March 5, but I repeat that when I rose in the house at that time the comments I made were correct, with one exception. I said that there were no honourable senators present from the Province of Ontario, with the exception of the Leader of the Government in the Senate, and that there were no senators present from the Province of Quebec. That was not quite accurate because Mr. Speaker was in his Chair and, of course, he comes from the Province of Quebec.

I can only repeat that at the hour of the day when I rose—and it would have made no difference whether it was I or another honourable senator who had occasion to rise in the house—that was the situation. This is a problem we have had over a considerable period of time, and I drew honourable senators' attention to it in the hope that we could have a better attendance not only late on Thursday afternoons but on other occasions as well.

Hon. Allister Grosart: Honourable senators, on the same question of privilege, the criticism by the honourable Senator McDonald of my absence from the Senate chamber on that particular occasion of Thursday afternoon—and, therefore, a question of personal privilege—I draw to his attention the fact that I was called out of the Chamber on Senate business, to attend an important meeting of a subcommittee of the Senate. I also draw to his attention the fact that on the same afternoon two committees of the Senate were sitting.

I regret that Senator McDonald did not at that particular time call attention to the reasons why some honourable senators from Ontario—if I may speak for Ontario—were not in the chamber. It was one of the very rare occasions when I have not been here at adjournment time on a Thursday.

It so happens that I will not be here at adjournment time next Thursday because I will be away from the chamber on Senate business, representing a committee of the Senate at Queen's University, at the request of the chairman of the committee.

I call attention to these particular circumstances because, while I have a good deal of sympathy with regard to the problem outlined by Senator McDonald, I do not think the situation will be helped by this kind of sweeping criticism. I will not quote his words because I suggest to honourable senators they were, in the circumstances, immoderate.

I would also call to the attention of the honourable senator and those who have responsibility for the conduct of the affairs of this place, that all the fault does not lie with individual senators; a good deal of the fault lies with those who have responsibility for the conduct of the affairs of this house. We do not know from time to time whether we are going to be sitting at the hour required by our rules.

There are times when honourable senators come here on a Tuesday to discover for the first time that the Senate is not sitting the next day. There are times when only within a few hours of the commencement of a sitting that we are told that the Senate will not sit at the hour appointed for the sitting in our rules.

I respectfully suggest to any who may wish to criticize senators in this respect that part of the fault lies with those who will not follow the rules in ordering the affairs of the Senate.

Hon. Mr. McDonald: Honourable senators, I hope I may be allowed to say a few more words.

The arguments put forward by Senator Grosart are fair and reasonable. There were senators from every part of Canada absent on Thursday—and this has been the case on other occasions. It is realized by everybody that virtually all members of this house have important duties to perform outside the chamber, especially in the work of the committees. I accept the criticism of Senator Grosart because I, in common with every other honourable senator, know that he has played a very active part in the work of the chamber and of the committees.

Honourable senators will recall that a few weeks ago, when we asked that the house sit at 2 o'clock rather than at 3 o'clock, I suggested that there seemed to be a consensus that we should change our rules so to enable us to sit each day at 2 o'clock. This is not a decision that any individual senator ought to make, and I asked honourable senators to make their wishes known to the chairman of the Standing Committee on Standing Rules and Orders, Senator Molson. If the majority of honourable senators feel that the house should meet regularly at 2 o'clock in the afternoon, then I suggest the rules should be changed accordingly.

As to notices of when the house will or will not sit, and in particular the criticism of Senator Grosart with regard to Wednesdays, experience has led me to believe that one of our major problems is not in getting the work of this chamber done, but in fitting the work of all the standing and special committees into a three- or four-day week. On occasions the house has not sat on Wednesdays because its work was well in hand, while the work of the committees was dragging. Tomorrow may be another example of this, with a very short session. There is a limited amount of work for the house, but there is a considerable volume of work before the committees.

This week the Special Committee on Poverty is holding meetings in Toronto, the Canada-United States Interparliamentary Group is meeting in Washington, the Special Committee on Mass Media is meeting all day tomorrow in the Conference Centre, the former Union Station, and two other standing committees are also meeting. So, it will be suggested that this house sit for only a short period tomorrow.

It is difficult to anticipate these situations. I do not know a week ahead of time what the situation will be on the following Wednesday. The work that comes to us from the other place, and which must be dealt with here, cannot be predicted. But I can assure my honourable friend that with co-operation from him, from his leader and his whip, we shall make every effort to give as much notice as possible of the sittings of this house.

Hon. Mr. Grosart: Honourable senators, if I may speak further on my point of privilege, I cannot accept the proposition put forward by Senator McDonald when he says it is impossible to plan three or four days ahead. The weakest and most obvious excuse of bad management is that it is impossible to plan three or four days ahead. I suggest that it is possible to give adequate information to honourable senators of the extent to which this house is going to abide by its own rules.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-183, to amend the Agricultural Products Co-operative Marketing Act.

Bill read first time.

Hon. Mr. Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of Operations under the Export and Import Permits Act for the year ended December 31, 1969, pursuant to

section 26 of the said Act, chapter 27, Statutes of Canada, 1953-54.

Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board for the period October 1, 1968 to September 30, 1969. (English text).

Report by the Tariff Board, dated January 15, 1970, relative to the Investigation ordered by the Minister of Finance respecting Woven Fabrics of Man-Made Fibres used in the Manufacture of Garments, Reference No. 144 (English and French texts), together with a copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

Copies of Report on Parliamentary Retirement Allowances, dated November 1969.

Report on the Operation of the Regional Development Incentives Act for the period February 1 to February 28, 1970, pursuant to section 16 of the said Act, chapter 56, Statutes of Canada, 1968-69.

PRIVILEGE

TRANSLATION OF DEBATES

On the Orders of the Day:

Hon. Lionel Choquette: Honourable senators, before the Orders of the Day are called I rise on a question of privilege. On Wednesday, March 4, I spoke in this chamber on the Land Expropriation Bill.

Hon. Paul Martin: You spoke well, too.

Hon. Mr. Choquette: Thank you very much. That is not why I am rising now.

I was amazed when reading my speech, especially at page 624 where I had quoted certain well known authors, including Montesquieu, in the original language, namely, the French language, to find that those words had been translated. I was under the impression that the custom was that when an author such as Shakespeare, Tennyson or Wordsworth was quoted, the words quoted would appear in the original language, whether in English or in French. I cannot imagine anyone quoting Racine, Voltaire or Rousseau speaking English, and the language of these gentlemen being translated. If I wished to translate Shakespeare I would do it myself, but I know very well that much of the meaning would be lost in the translation.

Hon. Mr. Lamontange: You would be better.

Hon. Mr. Choquette: Thank you again.

I will not labour the point, but I do not wish my remarks to be interpreted as a criticism against a procedure that has been followed, unknowingly to me, or as a criticism against any of the officials who might have decided that this was the procedure to follow. I refer to Rule 109 of the Rules of The Senate of Canada as to printing.

> 109. The printing or publishing of anything relating to the proceedings of the Senate shall be as ordered by the Senate.

I am not asking the Senate to make an order today, but in future if a speech is delivered in French the English quotations should be reproduced in the Senate *Hansard* in the English language, and vice versa.

Hon. Mr. Martin: Honourable senators, as Senator Choquette, who is an experienced senator, is aware, the regulations governing translation are administered by the Bureau for Translations I will see that Senator Choquette's remarks are brought to their attention immediately.

LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE

CORRECTION OF NOTICE OF MEETINGS

Hon. Earl W. Urquhart: Honourable senators, before the Orders of the Day are called may I be permitted to point out that in the meetings of the Senate committees listed on page v of the *Minutes of the Proceedings* it is indicated that the Standing Senate Committee on Legal and Constitutional Affairs will meet on Wednesday, March 11, 1970, at 10 a.m. to consider Bill C-136. This is an error. Bill C-136 will not be considered tomorrow, but on Wednesday, March 18, 1970. This was arranged in order to meet the wishes of several senators who spoke on the bill and intend to propose certain amendments to it in the committee.

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, March 4, the adjourned debate on the motion of Hon. Mr. Carter for second reading of Bill C-176, to amend the Company of Young Canadians Act.

Hon. Paul Yuzyk: Honourable senators, in his usual characteristic studious manner, Senator Chesley Carter has given this chamber a plausible explanation of amendments to

the Company of Young Canadians Act which are incorporated in Bill C-176, now before us. I have read considerable material on this subject, including the proceedings of the committee of the other house which investigated the affairs of the C.Y.C. Consequently, I do not envy anyone who must devote many days and much effort in order to assess a difficult situation and to advocate a reasonable solution to the complicated problem. I should like to congratulate Senator Carter on his able introduction of this bill.

My approach to this whole question, however, will be somewhat different. For a better understanding of the operations of this rather unique organization, I have decided to employ the historical method and give a brief account of its record. I believe that this will be of help to us in arriving at our conclusions.

The Company of Young Canadians has now been in operation for over three and a half years. Parliamentarians and the public have had a good opportunity to witness the work of a body that was designed to get the involvement of youthful volunteers to "develop programs for social, economic and community development in Canada or abroad through voluntary service."

We know from the parliamentary committee that investigated the company's affairs last October and November and tabled its report in the other chamber December 5, 1969, that during this period the C.Y.C spent at least $7,200,000 on 38 on-going projects costing about $200,000 per project, which involved not more than 400 volunteers—in reality a small number—costing about $20,000 per volunteer. It is natural and proper that parliamentarians and the public should now assess the work of the company and judge whether the taxpayers' money has been properly spent and whether this bold new scheme is carrying out the objectives outlined in Bill C-174, which became law in July 1966.

A look at its record shows that from the very beginning the C.Y.C. operations and activities were fraught with controversy. The frequency of changes in the staff and volunteer workers and some of the activities of certaiin volunteers were causes for alarm. Since the organization was dedicated to facilitate social change and since its father and patron were Prime Ministers Lester B. Pearson and Pierre Elliott Trudeau, generally regarded as left-wing Liberals, it was not surprising that new left-wing students and youth and other radicals were attracted to such a body to take advantage of the money made available by the Government. This type of youth was encouraged by the promises of a "just society" of which the fundamental basis was the idea of "participatory democracy".

We learn that the new leftists, at the outset, attempted to capture a leading role in the C.Y.C., and perhaps even to take control of the body in order to promote a peoples' movement of their own, but they ran into obstacles. For three years the company was governed by a provisional council appointed by the Liberal Government; the council was composed mostly of lawyers, social workers and academics, but it did include a couple of new leftists, who voiced their opinions vociferously, thus making an impression that the radical youth movement had a strong voice in the policy of this body.

The first crisis of major proportion which shook the C.Y.C. was precipitated by an anti-Vietnam war demonstration before the United States Consulate in Toronto in January 1967, in which some members of the company played a prominent part. This affair flared up in public and in the House of Commons. The Government was embarrassed and the Executive Director, Alan Clarke, and the staff of the company threatened to resign. When Prime Minister Pearson announced that members of the C.Y.C. were free as other Canadian citizens to express their view on such matters, it gave the appearance that the radical element was entrenched in the company.

Some of the new leftist volunteers subsequently took advantage of the situation and promoted projects to confront community administrations as well as provincial and federal government establishments. This was evident in the project among the Indian people of northwestern Ontario, which later caused the resignation of ten community development workers of the Ontario Government, who could no longer tolerate the conflict of interests, the use of subversive tactics, and the hostility of the Indians to the provincial department. Other work of new leftist volunteers with the poor in the cities and in the country, with discontented youth and in the depressed areas, where opposition was voiced against the power structures, increasingly gave the company a reputation of being oriented to the new left.

Although there was good work done by many volunteers, this did not win the attention of the newspapers and the public as did the demonstrative work of the radical-minded volunteers of the company. Newspapers also revealed some extravagant spending by the company. The provisional council became so

concerned about the bad public image that in February 1968 it accepted a comptroller from the Treasury Board in an attempt to dispel rumours of bad financial management. This only served to undermine the confidence of the Government in the council. In the meantime, the right wing of the council approached the Secretary of State, the Honourable Gerard Pelletier, the minister responsible to Parliament for the C.Y.C., to dismiss the leaders of the leftists, particularly Martin Beliveau, the Associate Director, who were accused of separatist activities in Quebec. Apparently the minister ordered Alan Clarke, the Executive Director, to fire Beliveau who, however, resigned voluntarily, as did Alan Clarke. This direct interference by the Government in a Crown corporation, was, I think, unconstitutional, as the only authority vested in the minister was to report on C.Y.C. activities to Parliament. But this was done during the election of 1968 when Parliament was not in session. It was obvious that from that time the Company of Young Canadians had lost its independence and from now on would be a tool of the Government.

Then came the appointment of a new Executive Director, Claude Vidal, who endeavoured to be an efficient manager. New leftist volunteers and their radical projects were gradually phased out. The work of the company was designed so as not to come in conflict with the Government. Finally, the company was allowed to elect a permanent council in the fall of 1969. Ten of the 15 members were elected by or from the volunteers and five were appointed. Controversy raged again and the work of the new council could not get started to allow Claude Vidal to carry on his policies.

In the meantime, Mr. Lucien Saulnier, Chairman of the Executive Committee of the C.Y.C. in Montreal, charged the Company of Young Canadians with having:

> —in its ranks, in Montreal, more than one member previously convicted in Montreal for terrorist activities;

And also:

> —on the premises officially occupied by the Company of Young Canadians and paid for by the Canadian taxpayers... newspapers and pamphlets showing how to fabricate Molotov cocktails, paint bombs, flasks and vials devised to disrupt police work in the maintenance of public order.

Mr. Saulnier demanded that a royal inquiry investigate the affairs of the company.

These charges were too serious to be ignored. Instead of a royal inquiry, the Standing Committee of the House of Commons on Broadcasting, Films and Assistance to the Arts, composed of a Liberal majority, was assigned the task. After five weeks of work in 34 meetings its report was tabled December 5, 1969. The most significant part of the report is the paragraph under the heading "Shortcomings of C.Y.C.". This I quote in full, because Senator Carter mentioned only a few points.

> i) There is a lack of administrative procedures resulting in almost chaotic conditions.
>
> ii) Financial procedures, to say the least, are questionable and unconventional.
>
> iii) Evidence has been adduced of an infiltration into the company, particularly in one region of the country, by individuals who have used the company as a base for acts of subversion, violence and illegality, which the administrators of the company were apparently powerless to control. It would also appear that public funds may have been surreptitiously diverted to support these purposes.
>
> iv) It is apparent that from time to time and from place to place various volunteers, in the course of their duties, participated in overt acts of a partisan political nature, contrary to the objectives and the best interests of the Company.
>
> v) Your committee has evidence that the executive director of the Company is seriously hampered in the performance of his duties. This situation results from the following factors, among others:
>
> (a) The company has no policies on the qualifications required of volunteers nor any definition of their exact role and functions;
>
> (b) There is no policy on the recruitment of volunteers;
>
> (c) There are no policies on the training of volunteers;
>
> (d) There are no evaluation procedures with respect to the performance of volunteers and staff;
>
> (e) There is no adequate procedure to deal with the grievances of volunteers or staff;
>
> (f) There are no adequate policies for the suspension and dismissal of staff and the suspension or cancellation of volunteer contracts;

vi) The company has no policies for the research, selection, evaluation, modification and/or termination of programs or projects.

Unquestionably, this is a serious indictment against the C.Y.C., a Crown corporation which was established by Parliament and has been in operation for over three years. It is a reflection upon the Government which exercised its authority over the company since its inception. It is also a reflection on Parliament, which should have foreseen that the structure of the company lent itself to abuse and misuse by extremist elements, who could get public money for activities beyond the purposes of the C.Y.C. Of course this is of grave concern to all Canadians.

The committee of the other house, stating that "there is a need to protect the expenditure of public monies and to control any possible illegal activities of a few members of the Company", recommended that the C.Y.C. be placed under a trusteeship "for a period of not more than one year", during which time the appropriate minister of the Crown was to take appropriate steps "to improve the legislative framework, organization and operations of the company". Subsequently, Bill C-171, setting up this trusteeship, was passed by both houses and given Royal Assent on December 19, 1969, the last day before the adjournment of Parliament for the Christmas vacation. It was obviously a measure of expediency.

Following the recommendations of the report of the mentioned committee, the Government then introduced Bill C-176, which is now before the Senate. A study of the clauses reveals drastic changes in the structure of the company. The council has been reduced from 15 to a group of not less than seven and not more than nine, all appointed by the Governor in Council, which in reality is the Cabinet and the Government. There is no mention of volunteer members, which up to this time formed a majority in the council. Clauses 3 and 4 state that the Governor in Council shall appoint the chairman and the vice-chairman of the council as well as the executive director of the company.

The government-appointed council and the government-appointed executive completely changes the character of the company, as was originally intended. No provision has been made for participation in the council of the volunteer workers, thus eliminating the democratic features of the original structure. The only interpretation that can be deduced now is that the Company of Young Canadians is a government-dominated body, subservient to the Cabinet.

[Hon. Mr. Yuzyk.]

Senators should bear in mind that during the debate on this bill on second reading in the other house all the Opposition parties voted for the dissolution of the Company of Young Canadians, but were defeated by the Liberal majority. Many people in Canada feel that the C.Y.C. experiment is a failure and therefore should not be allowed to continue to spend the taxpayers' money wastefully.

Knowing that the Government is determined to perpetuate the C.Y.C. under a more rigid structure, I think that the best that can now be done, under the circumstances, is to try to improve the legislation.

The C.Y.C. has an excellent purpose and a tremendous, unlimited potential in helping to mobilize our human resources for the betterment of the conditions of the people. For our young people, it provides a challenging avenue of service that will make them more useful citizens of our great country. For these reasons I supported the original bill in 1966. Since I had experience in organizational work with the youth, during the debate on the bill I did draw attention of the fundamental problems that faced the council in the formative stages of the company. These are my words:

> In some of these fields of human endeavour, I fail to see how a six weeks' orientation program preceding the assignments of volunteers will prepare them adequately to cope with some of the situations, particularly when such a volunteer goes to an entirely different environment with a vastly different historical, social, cultural and linguistic background. Means will have to be found to convey the necessary knowledge and experience gained by historians, sociologists, psychologists and social workers to the volunteer, so that he will not become discouraged and disillusioned. It is imperative that programs should be well thought out and prepared before they are launched, even though they are in response to requests from communities and groups which may not always have clear ideas themselves. Good leadership will always be necessary.

If we take into account the shortcomings of the C.Y.C., I do not think it is fair and just to blame all the volunteers for these shortcomings and to deprive them of representation and a voice in the council. It is the management that must be blamed because it failed to

set up the proper qualifications and standards in the choice of volunteers, and failed to develop a sound program. The youth of today is very democratically-minded and supports the idea of "participatory democracy" and the achievement of a just society. We are witnessing their struggle for a strong voice in the administration of the universities, in which they have achieved and are continuing to achieve considerable success. They are demanding the vote from the age of 18 and they are gradually realizing this objective. How can the youth look with favour upon the bureaucratic type of structure that is being imposed upon the C.Y.C.? How can the volunteers work whole-heartedly for a corporation that is completely controlled by the Government, is paternalistic in character and in which they have no voice?

Honourable senators, I consider that the present legislation is too reactionary. I believe that the withdrawal of the voice of youth in the policy-making council will have serious consequences for the company. For the corporation to function properly, it will be necessary to gain and maintain the confidence of the youth, and this can best be done by giving the volunteers some representation in the council. I am not advocating that they have a majority control but they are entitled to have a voice in the decision-making organ. When this bill goes to committee I shall move an amendment to this effect.

The Company of Young Canadians will make no progress if the youth is alienated. The Senate has one of those rare opportunities to be on the side of the moderate, positive and constructive youth, which I believe forms the majority of this important section of the Canadian population.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. McDonald for Hon. Mr. Carter, bill referred to the Standing Senate Committee on Health, Welfare and Science.

SALTFISH BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 5, the adjourned debate on the motion of Hon. Mr. Petten for the second reading of Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

Hon. Hédard Robichaud: Honourable senators, in an excellent presentation while introducing the second reading of Bill C-175, an act to establish Canadian Saltfish Corporation, Senator Petten, before this chamber on Wednesday last, referred to the prime interest to fishermen of his Province of Newfoundland as well as to fishermen from other parts of the Atlantic coast. In a few but well chosen words, Senator Petten outlined briefly the history of the saltfish industry, particularly as it affects his own province. He was prepared to admit that the contemplated reorganization of the saltfish trade in Canada could not by itself solve the economic and social problems from the many thousands of fishermen whose families depend almost entirely on the production, processing and sale of this traditional commodity which over the centuries had been the basis for the founding of a large number of communities along the shorelines of our Atlantic provinces.

As stressed by the honourable Minister of Fisheries and Forestry when speaking on third reading of this bill in the other place, the purpose of Bill C-175 is to set up a corporation the whole object of which is to improve the lot of the inshore fishermen, particularly those living in remote communities and those on low incomes in the Atlantic region.

The present legislation follows a long series of meetings and discussions between representatives of the saltfish industry from various Atlantic provinces and Quebec as well as between representatives of the federal Department of Fisheries and Forestry and officials from the provincial governments interested in the production of this particular commodity.

Early in 1965 a commission of inquiry into the Atlantic saltfish industry held a series of public hearings in the capital cities of Newfoundland, Nova Scotia, New Brunswick and Quebec. The terms of reference of that commission under the chairmanship of Dr. D. B. Finn, a retired deputy minister of fisheries, could be summarized as follows:

The commission is to inquire into the advisability of establishing a sales agency or board to control exports of cured fish from the Atlantic provinces having regard to (a) the market demand for an competition among different forms of utilization for landings of

cod and other species; (b) the competition that exists between salted cod and other saltfish products in world markets; and (c) ways and means of improving the fish of the saltfish industry and of increasing returns to primary producers in the context of the overall economic development of the area.

In his report, presented later in the same year, the commissioner concluded that under conditions existing at the time within the saltfish industry, improvement in quality could result in higher revenues for the fishermen. He also concluded that there was not sufficient understanding among provinces, or even among primary producers and within the industry, to warrant the establishment at that time of a Canadian Saltfish Corporation. He clearly stated that there was, particularly in Newfoundland, too large a number of small establishments of too limited a capacity to allow for the processing of a higher quality product which could result in a substantial increase in the export of this commodity. He highly recommended that as much as possible the fishermen themselves should do away with the processing of saltfish for export. This could be made possible by Government assistance and help in reducing the number of outports and remote communities, and concentrating, whenever possible, the salting and processing in larger centres where the whole operation could be supervised and fully controlled under rigid inspection.

The commissioner also recommended that governments should be more selective in the type of assistance provided to primary producers so that they would not be contributing to the keeping of inshore fishermen in a status quo position, thus preventing them from participating in more modern and profitable developments which in turn could result in improving their earnings and their ways of living.

Since this report was presented late in 1965, conditions within the saltfish industry have shown little improvement, if any at all, and on different occasions the Government has been called to the rescue by being asked to provide price support assistance to the industry or by being asked to purchase substantial quantities of saltfish to be distributed to needy countries under food relief programs.

Confronted with a difficult situation, realizing that no progress could be accomplished under existing conditions, the Government found new pressures imposed upon it to proceed with the establishment of a crown corporation which would have the power to regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish. The participating provinces will be asked, as described in section 25 of the bill, under the title "Agreements respecting participation," to enter into an agreement with the Government of Canada to share in the initial operating and establishment expenses of the corporation and to share in any losses incurred by the Government of Canada as a result of the operation of the corporation.

Under paragraph (c) of this section, the participating provinces will agree to undertake the payment to the owner of any plant or equipment that may be rendered redundant by reason of any operations authorized to be carried out by the corporation. This, to me, is a very important clause in this bill and is one that could become a cause of long negotiations and differences of opinion among the parties concerned and the corporation. I believe that a similar Crown corporation, the Fresh Water Fish Marketing Corporation, which was established early last year, is meeting similar problems.

In view of the extension of the saltfish industry in Newfoundland as compared with the other Atlantic provinces and the Province of Quebec, there is no doubt that the major problems facing the corporation will originate from that particular province. This is only natural and logical. One must remember here that we are dealing with a highly perishable product, a product which is exposed to deterioration from the moment it is taken out of the water until it reaches the table of the consumer. It is a product that must be under control at all times if its quality is to be maintained, and if it is to remain attractive to the ultimate consumer whether on the domestic market or on foreign markets.

I fully agree with Senator Hollett that salt-cured cod can constitute a wonderful and delicious meal, even for breakfast. I have enjoyed it myself on many occasions, particularly on my visits to his province.

Hon. Mr. Martin: Senator Hollett is going to give us a breakfast of that food.

Hon. Mr. Robichaud: I hope he does, and I am sure that all honourable senators will enjoy this wonderful treat.

Hon. Mr. Hollett: I will cook it myself.

Hon. Mr. Robichaud: However, the honourable senator will agree with me that the quality of salt cod used in the preparation of this dish has a lot to do with tempting the palate of the real gourmet. In other words, the quality of the flour or wheat ingredients used in this dish offers no problem, but the same cannot be said about the quality of the salt cod which must be good if the meal is going to be as wonderful as he has described to me.

Honourable senators who have so far taken part in this debate have been unanimous in supporting the principle of this bill, but at the same time they have expressed certain apprehensions regarding its implementation and even some serious reservations on the end results which may be achieved. In view of all the obstacles which have to be overcome before this crown corporation reaches its main objective of improving and stabilizing the earnings of the primary producers of cured fish, one can only hope that all concerned, the fishermen, the industry and Government will approach the problem with caution and with a sense of full co-operation and understanding.

It is no secret that while the sale of salt cod on the Caribbean market alone has, in the last decade, been declining at the rate of 2 per cent per annum, the sale of this commodity in the Mediterranean countries has also fallen sharply during the same period. As has already been mentioned in the course of this debate, one of the main factors affecting our sales abroad has been the lack of a good-quality product and the failure of the industry to supply the size and quality of salt cod demanded by the consumer. I personally have seen clear evidence of this situation in my visits to such countries as the Caribbean and Portugal, where I had talks with saltfish importers and discussed with them ways and means of improving this trade for the benefit of our own Canadian fishermen.

In the spring of 1968 while visiting Portugal I was told that in the previous season Canadian exporters had lost a sale of over 10,000 tons of dried salt cod just because they were not prepared to comply with the requirements of the consumers in that country. This is clear evidence that quality control or, I should say, the lack of quality control is one of the main factors to be considered if this declining industry is to be revived and operated as an economic and profitable enterprise. Such improvements in quality cannot and will not be achieved as long as individual fishermen in remote centres and outposts continue to operate as producers as well as processors of salt cured fish. Such improvements in quality cannot and will not be achieved unless and until a large number of those individuals and even some of the corporations engaged in the buying, curing and exporting of cod products change their methods and adapt themselves to modern needs and demands. The price of salt cured cod today is too high for this commodity to be considered a low-cost food item for the poorer class of people whether in the West Indies, Portugal, Spain or elsewhere.

I had some hope that such a corporation as contemplated by this bill could go a long way in demanding the quality referred to by the Minister of Fisheries when he appeared before the Standing Committee on Forestry and Fisheries on January 27 and February 3 last. In his statement before the Standing Committee, the honourable Minister of Fisheries and Forestry also said that the object of setting up a Saltfish Development Corporation is to re-organize the saltfish industry and to increase the incomes of inshore fishermen in the Atlantic provinces.

While I support the principle of the bill and commend the Government for taking this important decision, I must say that I am rather amazed by some inconsistencies which seem to exist in the implementation of Government programs established to provide opportunities for productive employment in regions such as the Atlantic provinces. In these areas the Government is committed to establish new facilities, or at least to aid or assist in the establishment of new facilities, to expand or modernize existing facilities and to make a significant contribution to economic expansion and social adjustment. In recent years, through financial assistance from the Atlantic Development Board, from ARDA and FRED programs, and, more recently, through the Incentives Division of the Department of Regional Economic Expansion, the Government has contributed heavily to the economic expansion and social adjustment of the area. However, if the Government is justified, and rightly so, in contributing to such development incentives and at the same time providing additional employment, it seems to me that the Government should also take the necessary means to assure itself that new or modernized facilities established in designated areas must operate properly and meet the objectives which led to such establishments.

On the east coast and particularly in the Gulf of St. Lawrence area, all fishermen cannot be considered as offshore fishermen

operating in large and modern steel trawlers. A very large segment of those engaged in fishing operations consists of inshore fishermen operating in small- or medium-sized vessels landing their catches in ports where facilities do not exist or even cannot be provided for the unloading of catches from large steel trawlers.

Since the late forties the Department of Fisheries has operated a program of grants, contributions and subsidies concerning assistance in accordance with terms and conditions approved by the Governor in Council for the construction of fishing vessels, in respect of which capital subsidies were not payable pursuant to any other federal authorization. The expenditures for this particular item or program have varied from year to year and attained their maximum during the fiscal year 1967-68. It was realized at that particular time that this program could be considered as one of those federal-provincial cost-sharing programs where no, or very little, control was exercised over the amount of expenditures involved, except by a vote in the main or supplementary Estimates. However, in order to bring this program under control major changes in government policy were announced on June 15, 1967, where an amendment to the Fishing Vessel Assistance Regulations, under which fishing vessels assistance was administered, provided that all applications for contributions in respect of fishing vessels that were to be built according to plans and specifications approved by the federal Minister of Fisheries must be received before construction of such vessels could be commenced.

Under the Fishing Vessel Regulations the Minister of Fisheries is empowered to enter into an agreement with provincial fishermen's loan boards in the Atlantic provinces and, in the case of the Province of Quebec, the Minister of Industry and Commerce, to make contributions towards the cost of building fishing vessels of approved type or standards.

At a meeting held in Moncton, New Brunswick, in November 1967, an agreement was reached between the federal Minister of Fisheries and the provincial ministers involved by which the total yearly allotment of this assistance program should not exceed the figure of approximately $1¾ million per year, thus limiting the amount in which the federal Treasury would be involved in providing assistance for the construction of wooden fishing vessels.

[Hon. Mr. Robichaud.]

Unfortunately, it now appears that for austerity reasons, or otherwise, the Government has decided to discontinue this program by doing away with financial assistance for the construction of wooden fishing vessels. As I said earlier, to me it seems rather inconsistent and illogical that the Government is prepared to assist in the construction of new fish processing plants and, at the same time, adopts measures which will result in reducing the production of fish, thus adversely affecting the incomes of the fishermen involved. In other words, at a time when the federal Government, and particularly the Department of Regional Economic Expansion, is outlining and implementing a policy for increased production and additional opportunities for employment in the Atlantic provinces, it is difficult to understand how it can justify the discontinuance of this particular subsidy which will, as I will mention again later, seriously affect the success of the bill which is now before us.

While the construction of large steel vessels which are being subsidized contributes to increased production in certain areas, such as larger centres, these types of vessels are not adaptable to certain harbours where the depth of the water is limited, and particularly to these areas which are so common in Newfoundland, Prince Edward Island, on the northeastern coast of New Brunswick, on the Gaspé coast in Quebec and certain sections of Nova Scotia, such as the Cheticamp area, where fishing operations are of the type which we could call an "in-between" inshore and offshore fishery.

If we take, for example, the northeastern coast of New Brunswick, its three main fishing ports of Shippegan, Lameque and Caraquet, with total landings now reaching over 200 million pounds of fish per season, cannot provide the unloading facilities for large, modern steel trawlers and must be supplied by wooden vessels consisting mainly of small draggers averaging from 60 to 90 feet in length. It is also a well-known fact that from 40 to 50 per cent of the present groundfish fleet operating from these ports is now outdated and even unsafe and must be replaced. Such replacements cannot take place unless the fishermen are assured, as in the past, of financial assistance covering approximately one-third of the total cost. In the last 15 years the cost of building such vessels has increased by 60 to 75 per cent, and during the same period the price of fish has increased by only 20 to 25 per cent. For example an 85- to 87-foot wooden dragger,

which five to six years ago could be built for $170,000, now costs in the vicinity of $250,000, an increase of at least 45 per cent. Similar increased costs to fishermen also apply to equipment, maintenance and operation expenditures. The assistance given for the construction of wooden vessels has been, in practically every case where such subsidy applied, one of the soundest and most effective investments made by the federal Government in all its assistance programs affecting agriculture, fisheries, mining, or any of Canada's natural resources.

Leaving aside the local employment provided by the construction of these vessels, the Government should consider at least the large source of employment provided in fish processing plants from the landings from such vessels. It is difficult to understand how the Government can justify its decision to curtail or discontinue a program which has been contributing so effectively to the economy of an area where practically no other industry can be introduced. In the town of Shippegan alone, in Gloucester County, New Brunswick, during the 1969 season, employment was provided in local fish processing plants for over 1,300 employees derived from a radius of approximately 20 to 30 miles and involving annual salaries of close to $2 million. Similar conditions exist at the two other ports I mentioned, Caraquet and Lameque. The Government must realize that the fishing industry in these areas cannot subsist and operate at a profit unless the production is increased or, at the very minimum, maintained at its present level. This, however, will be impossible unless new vessels are constructed at once to replace the older ones which are being taken out of operation.

As a result of the Government's decision to reduce and practically discontinue the assistance for the construction of wooden vessels, most wooden ship building yards in the Atlantic provinces have either closed their doors or are operating at a much reduced capacity, being engaged mainly in repairing the existing fleet. Furthermore, if this policy continues a number of fish processing plants, which provide the only employment in those fishing communities, will be forced to do likewise.

It is true that the continuation of a subsidy program for the construction of fishing vessels would involve expenditures averaging from $1.5 million to $2 million a year over the next five years. On the basis of a 30 to 35 per cent subsidy, this could provide new construction in the amount of approximately $30 million, provide employment during the construction period for at least 600 to 800 shipyard employees, and, at the same time, supply a source of livelihood for thousands of employees in the fish processing plants.

Honourable senators, while I fully support this bill, and especially the establishment of the Canada Saltfish Corporation, I sincerely hope that the Government will recognize a situation which is so vital to the economy of all sections of the Atlantic provinces.

The Government should not be satisfied with the present measure, but should go all the way. It should keep in mind that at least 50 per cent of the fishermen affected by the provisions of this bill depend upon the vessel subsidy to increase, or even maintain, their production. Unless this subsidy is re-established at once I can assure the Government and the Minister of Fisheries and Forestry that the objective of setting up the Canadian Saltfish Corporation will not fully be met, and the incomes of inshore fishermen on the Atlantic coast will not increase as projected.

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

CONSTITUTION OF CANADA

JOINT COMMITTEE—FIRST REPORT

Hon. Paul Martin: Honourable senators, I have asked Senator Lamontagne to undertake another matter this evening, and it would be a great convenience to him if this house would agree to having Order No. 4 called now, notwithstanding Rule 21.

Hon. Senators: Agreed.

The Senate proceeded to consideration of the first report of the Joint Committee of the Senate and House of Commons on the Constitution of Canada, which was presented on March 5.

Hon. Maurice Lamontagne moved that the report be adopted.

Report adopted.

DEEP SEA FISHERIES ACT

BILL TO REPEAL—SECOND READING

The Senate resumed from Thursday, March 5, the adjourned debate on the motion of Hon. Mr. Burchill for the second reading of Bill C-133, to repeal the Deep Sea Fisheries Act.

Hon. Malcolm Hollett: Honourable senators before I commence my remarks I should like

to offer my congratulations to Senator Robichaud on his speech in the debate on the motion for second reading of the Saltfish Bill. It was one of the finest speeches on fisheries I have heard in a long time.

Hon. Senators: Hear, hear.

Hon. Mr. Hollett: I am speaking now on another bill that concerns fisheries, but when I am through I do not think I shall be congratulated.

Hon. Mr. Aseltine: Do not be so modest.

Hon. Mr. Hollett: This is a motion for the second reading of a bill to repeal the Deep Sea Fisheries Act. As honourable senators will see, it is a very short bill, reading as follows:

> Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> 1. *The Deep Sea Fisheries Act,* chapter 61 of the Revised Statutes of Canada, 1952, is repealed.

That is the bill. We are asked to pass it and thus erase this act from the statute books. The only explanation is:

> The Deep Sea Fisheries Act, which would be repealed by this bill, authorizes the payment out of the Consolidated Revenue Fund of an annual grant not exceeding $160,000 to aid in the development of the sea fisheries of Canada and the building of fishing vessels. Under the Regulations the amount of the grant is paid out as bounties to fishermen engaged in deep sea fishing.
>
> It is considered that the payment of such bounties is no longer appropriate to present day circumstances and that the amount of the grant provided for in the Act could be utilized in a more productive way.

I have read the comments that have been made in the other place, and I have read the report of the Commons committee on this particular bill, and I must say that I have never heard of a bill that got such cavalier treatment.

As honourable senators know, this legislation has a long history. It started with the Treaty of Washington back in 1871, by which it was arranged between Canada, and probably Great Britain, and the United States that deep-sea fishing would be allowed to both Canadians and Americans on each other's coast. It was a reciprocal agreement. The Canadian fishermen could fish off the American coast, the American fishermen could fish off the Canadian coast, they could go ashore to dry their fish, and so on.

A few years later—in 1882, I think—it was thought that the Americans had got the best deal, so a royal commission was appointed to inquire into what had actually happened. The commission decided that the Americans had indeed got the best deal, and the Americans agreed to pay $5.5 million to offset the advantages that they had received under the Treaty of Washington.

As was so very well explained by Senator Burchill, $1 million was taken from that amount of $5.5 million and passed over to Great Britain for Newfoundland. I do not know whether we Newfoundlanders ever got that money because I was not around in those days, but the net amount of $4.5 million came to Canada for the purposes of helping the fishermen on the east coast—the fishermen of Quebec, New Brunswick, Nova Scotia, and Prince Edward Island.

A little later it was decided by the Government of Canada that this money should be put into the Consolidated Revenue Fund, and the equivalent of the interest on it would be used year by year to pay a bounty to individual fishermen in those four provinces. It was called deep sea fishing in those days, But I do not suppose it would be now. We know it as inshore fishing. At any rate, shortly thereafter the Government of Canada started to pay bounties of from $10 to $15 per year to various fishermen in these four provinces. Some would laugh at that amount. However, I remember the dirty thirties, when I myself had to dish out dole to fishermen at the rate of six cents per day, $1.80 per month or $21.60 per year. The Government of Canada had guaranteed to pay this bounty every year. It was paid until last year, when the Government said the payments would not continue. Now the Government has brought in this bill to repeal the act which made it possible to pay the bounty.

The sum of $4,500,000 was placed in the Consolidated Revenue Fund, and the Government agreed to pay the equivalent of the interest on that amount each year to the various fishermen when they applied for the bounty. Now that they have decided to discontinue the payments, what are they going to do with the $4,500,000 and the interest which has accumulated during these years? Can we not trust the Consolidated Revenue Fund as much as we trust a bank? If you put

$4,500,000 in the bank, even if they stop paying interest, you expect to recover the principal. This money was put into the Consolidated Revenue Fund for the fishermen of these four provinces and it was guaranteed that they would be paid so much each year.

It riles me to think that any government can act in this way and deprive these fishermen of their rights. Remember that the bounty has been paid ever since 1882, which is 80-odd years. The report of the committee indicates that in the year 1968-69 fishing bounty payments to fishermen in Nova Scotia amounted to $81,530. In Prince Edward Island almost $12,000 was paid to the fishermen. We must remember that that was in Kings, Prince and Queens, with a total of 855 men. There were slightly more than 2,000 men in Nova Scotia. In New Brunswick 551 men received $27,968. In Quebec 5,490 men received $159,378. Other figures produced by the committee which studied the bill, if there was anything to study, showed that in the 12 years from 1956 to 1967 $1,916,341 was paid to these four provinces almost $2 million.

It is all very well for the Liberals to say "what is a million?" These bounties have been paid to the fishermen over a period of 80-odd years and suddenly the Government says, "You are not going to get it any more." The payments were stopped last year. Is that the right thing to do? Is that the way to treat a fisherman? Is that the way you would treat a farmer out in the west? It is a cavalier way to treat these fishermen. They receive $8 or $10, as the case may be, if they apply for it. Most fishermen are honest enough not to apply for it if they do not need it.

I do not see how the Government can repeal this without saying, "In spite of this we are going to do this for you." You cannot take that money away from the fishermen of New Brunswick, Nova Scotia, Prince Edward Island and Quebec. It was their money, paid over by the United States government to be paid to the fishermen. The Government of the day decided that they would just give the fishermen the interest every year as a bounty to encourage them. Not all fishermen received the bounty, but a good many of them did. It helped them many times in a great many ways, particularly in the dirty thirties. They got it then, not only last year or the 12 years I mentioned. They got it whatever the weather was like.

I cannot commend the Government for treating the fishermen in this manner. I was a fisherman myself once. I was only 13 when I fished on the Labrador coast, and, by jove, if I had got $10 then for a year's fishing, or my older brother or father had got $10 around Christmastime as a grant, we would have been happier. The point that worries me is, can any government take away the rights of fishermen? It is dishonourable to do this. It is on moral grounds that I am speaking. I do not think the Government of Canada today knows exactly what they are doing when they repeal this act without saying, "It is true the money is yours, but instead of paying you every year we are going to do something else for you." I know they have done a lot for the fishermen of this age, but it has no relation to this whatsoever. I repeat, the money belongs to the fishermen and the Government cannot say, "I am going to grab your money." That is what they have done.

I hope that I will get some of my friends in Nova Scotia, New Brunswick, Quebec and P.E.I. to stand up in their places in this house and tell the Government that they must be very careful as to what they are doing. If something better than this is not done, in my estimation the Government will have to reconsider its position. I do hope that the people from the other provinces will back me up. I am not talking about my own Province of Newfoundland, and I suppose that I should not have adjourned this debate so that I could speak to the bill. I thank honourable senators for their attention to my remarks.

Hon. Senators: Hear, hear.

Hon. John J. Kinley: Honourable senators, I wish first to thank Senator Hollett for his remarks. Coming from the Province of Newfoundland, where they received the bounty early but do not get it now, I would not think the people would be as enthusiastic as the senator is. But he said that he was a fisherman and as a true friend of fishermen I am sure his remarks will be appreciated in the Province of Nova Scotia at least.

I have been in politics for nearly 50 years and before coming to the House of Commons I remember hearing people say that this subsidy should be abolished and that the money should be used for other purposes. I remember sitting in the house with a Mr. Neill, a very wonderful man. He was a good member from Comox-Alberni in British Columbia. Whenever we got into a discussion about fisheries it did not take him long to remind me that we in Nova Scotia received a bounty, whereas British Columbia did not, but he was trying to see if something could be done about it.

I think my honourable friend was a little bit uninformed about where it should have gone. I read what was said in the other house about this bounty, and I have never heard a discussion that so downgraded the idea of this bounty to the fishermen. We were told that it was not for the good of the industry, but only for the good of the individual fisherman, who would use it to buy groceries and feed his family. Even if he did, I do not think that was all bad. Perhaps he gave it to the church—it was not very much. Today it is not the idea of this bounty, because it is not much—it is the principle of the thing.

Hon. Mr. Choquette: It is enough to have "Mutiny on the Bounty".

Hon. Mr. Kinley: It was an historic event in the history of this country. Our fishermen were quarrelling with the American fishermen. They said that we were invading their rights, and we even had to pay something to the United States because of what we did to the fishermen on the out-of-bound claims before this Washington committee. They thought that the English people were in favour of the southerners and it created a lot of trouble. So they called the Washington Treaty people together in order to try to settle the Alabama claims. The fisheries question was tacked onto it so we could have something peaceful in the fisheries and let everybody perform as they wished. The Alabama claims continued in Washington, but they threw out the claims of the fishing industry because they were too troublesome. They came together again under the Halifax commission which approved it. This was done under a European negotiator, chosen in the Old Country, and accepted by the Americans. This gentleman was the Chairman of the Halifax commission. Sir John A. Macdonald and Dr. Tupper were also members of that commission. At any rate, they were unable to reach an agreement, and the Senate of the United States was against it. It appeared that the President of the United States had great regard for the diplomacy of the British. He liked the way the negotiators had acted and he was anxious to have the matter settled. The committee in the Senate of the United States then had a meeting and discussed this matter. They said that they would go to the President and appeal to him, and if he agreed they would authorize the payment of this money because they wanted to have it settled in the interests of the fishermen of their own country.

[Hon. Mr. Kinley.]

We were told that there was nothing in the Washington report or in the Halifax Commission report which said the fishermen should get this money. The senators in the United States got together and put in a protest to show how unfair the treaty was to the United States. I have their report here, and it shows that they did expect the fishermen of this country to get the money. We are told now by speakers from the other house that there was nothing of the kind, even in the Washington report or the Halifax commission report. I read from the Washington report at page 83:

> In the Senate the message was referred to the Committee on Foreign Relations. On May 28, Hannibal Hamlin of Maine, Chairman of the Committee, reported in favor of the payment of the award but strongly protested against it on the grounds of injustice and invalidity. The report, which disclosed in considerable detail the opinion in the United States as to the award, read in part as follows:
>
> ...By the operation of the Washington Treaty, in remitting duties (estimated at $350,000 annually), and the Halifax Commission awarding an enormous sum against us, the United States is called upon to pay annually a larger sum for the benefit of Canadian fishermen than it ever appropriated as bounties to American fishermen.

The American report continues:

> To a resolution approving the report of the Senate Committee on Foreign Relations, Senator George F. Edmunds of Vermont, offered an amendment declaring that articles 18 and 21 of the Treaty of Washington ought to be terminated at the earliest date possible. The amended resolution was passed June 1, 1878, and on June 20, 1878 the sum of 5.5 million dollars was placed under the direction of the President of the United States with which to pay the British Government the amount awarded by the Halifax Commission if, after correspondence with the British Government, the President deemed it his duty to do so.

Honourable senators, this bounty was not paid by Canada, it was paid by the Americans. It was paid by the Americans because the President was anxious to have good relations with Canada, and because the American fishermen wanted privileges on this coast, and our fishermen were very much opposed.

This annual payment of the fishermen's bounty was one of the things that caused peace in the situation. The British Government paid $1 million to Newfoundland in cash and they paid to the Canadian Government $4½ million. The money, by statute, was afterwards used for the purpose of bonus for the fishermen. This has gone on for many years.

When I first went into politics over fifty years ago, I travelled up and down our shores, and our fishermen were poor. Through the years, they have advanced to a place where I think they are prosperous. We are happy to say that we have one of the best counties in Nova Scotia and the best fishing of any county in the Maritimes. We have the largest fishing establishment in Canada, and perhaps in North America. I think my honourable friend who has spoken is a director.

We have arrived at the point where we do not value this fishing bounty very highly, but we regard it as an historical thing, that was given to our fishermen in good faith at a time when it was needed. You must remember that at that time it would buy two barrels of flour, and meant much to our fishermen in those days. It is something that our people are proud of. Our fishermen are glad to belong to the "big league" in Ottawa, where things are controlled for the country and the products from the sea are under the control of the federal Government. We are proud to have that connection. So dominion politics was always a vital thing in the Province of Nova Scotia, because of our connection with the Members of Parliament and other people. We were interested in it because it affected the affairs of the people from the bottom.

I do not think that we are asking too much to have this bounty continued. I do not think that will happen, but I stand here in my place representing the people who stood by me for fifty years. I feel that I should support them in this respect.

May I point out that many of our people left and went to the West. There the Government gave them free land and helped them get settled. They still have that land today. Our fishermen got the bounty, and now they are going to take it from them. I do not think that should be allowed to happened.

Senator Hollett said the fishermen got this bounty. The bounty was paid to the fishermen and to the boat owners; the vessel owners and their crews got more than the shore fishermen. I have here a record of what has been done. They said that only a few got it; that those who had courage enough to apply were the ones who got it. But the amount paid out every year was $150,000. I think it was budgeted, and it went as high as $159,000, but each and every year it was all paid out. It has been said that it went only to the fishermen and did not help the fishing industry.

Hon. Mr. Hollett: Who said that?

Hon. Mr. Kinley: In Nova Scotia. The individual fishermen got $25,170. The members of the fishing crews got $56,358.75. A total of $81,530 went to Nova Scotia.

Hon. Mr. Hollett: 5,000 men.

Hon. Mr. Kinley: The vessels were cheap in those days. When we built the Bluenose, I think it cost $40,000. Now one would pay about $200,000 for the same kind of ship. A $10 bill is not worth so much, but it had value as a Christmas present. The man's wife got it and they all felt an intimacy with Ottawa. This kept up our interest in the nation. It was a good thing.

Honourable senators, it has been said there was a trust in connection with the bounty. I do not think it was exactly a trust, though I am not a lawyer and cannot exactly say. I think it was a moral obligation that was placed on this country. Our fishermen got that bounty as a right and it should be continued.

The same principle applies in the case of the Crow's Nest Pass rate, between British Columbia and Alberta. It is a moral responsibility. They carry goods cheaper under that rate than in other places. It was an agreement made in good faith and it has been maintained. That is the same principle as the bounty for the fishermen of Nova Scotia.

I remember the cheque was paid by Britain, by order of the President of the United States. America paid this bounty, not Canada—well before Newfoundland joined Canada. Newfoundland got $1 million as her part in the settlement. The idea that it was paid only to the men and was wasted, is not true. But of course the vessel owners got more than the men.

Every country in the world encouraged the building of ships and they subsidized their shipping and their activities on the sea. Nova Scotia is surrounded by water. Activities upon the sea are a natural endeavour. This payment has served to keep the men at home at a time when otherwise they would have gone to the West.

In the days of the wooden ships, fishing was a perilous occupation. I have visited the

graveyards in my county and have seen monuments over the graves of men who were lost at sea. That is mostly past now, thank God, because we have moved forward and today we have bigger and safer ships, and fishermen are making more money.

Honourable senators, I am going to speak also on the bill for the saltfish board, so I will say nothing about it tonight. We have heard a splendid speech from Senator Robichaud, who was Minister of Fisheries in the Government some years ago. He knew what he was talking about, and he has grave doubts whether the proposed activities are the right ones.

Honourable senators, I take issue with this bill in the interests of the people who supported me over the years in political life and in business life. I am proud to say that when my friend was giving out the dole in Newfoundland the fihermen in my county refused it because they did not want poor money. Ours was one of the only counties in Canada not to accept the dole in the days of the depression.

Hon. Mr. Hollett: But you got the bounty.

Hon. Mr. Kinley: In my opinion, the money could be spent a little better by rewarding people who succeed and who work harder. In that respect, the fishermen in our county work 70 hours a week. Theirs is not an eight-hour day. They work hard and they operate on a share basis. There is a lot of talk today about the innovation of co-operatives. We had co-operatives 60 years ago. As I recall, my father used to freeze the herring in the winter. My wife's father lost a vessel and its whole crew when they were coming home from that business in Newfoundland.

Newfoundlanders used to come to our place to fish. They were splendid fishermen, but they were not citizens of our country and no doubt they did not get the bounty. Perhaps that accounts for what people say to the effect that only some got the bounty. But we would have liked to have more Newfoundlanders.

My friend says that we have trouble reviving this fishery and that fishery, but I say our trouble in Lunenburg is to have enough fishermen to man our fleet. We do not want more vessels than men. You have to keep it snug or you destroy the thing. You have to keep everything going if you want to make a profit, and if you do not make a profit then you are lost. I am glad that we continue to do well. I am glad that the big fish company in our town has gone to Newfoundland and has put up a $2 million plant there that is now in action.

You know, honourable senators, I represent a wonderful people and I know their problems. I learned the problems of the fishermen in my youth. My father was a fisherman and there were twelve of us around the table. It has always been my conviction that a strong country is made of strong men—and our fishermen are strong men. They work hard and they have a co-operative system in which they can share the profits. In that way we have attained success, perhaps the best success of any place in fisheries. There are splendid places along the north shore. Ten years ago Shelburne had more vessels than any place in Nova Scotia.

To go briefly into the history of the people in our region, the United Empire Loyalists came up to Shelburne and their descendants are still in that part of the country. The basic people in Lunenburg are descendants of Germans who went there 200 years ago. It is interesting to note that when Louis, Prince of Lunenburg, became Prince George of England, he wanted a better understanding with the French with whom there had always been conflict, and so these people were sent out to Halifax. When they did not get along well in Halifax, they were taken to Lunenburg. So the story goes now, there are two towns in the Maritimes that have dignity and character—they are Fredericton and Lunenburg. I suggest that you think of that when you are considering your vacation plans. Come and see the beauties of Nova Scotia. You will see that even if it is said that we are poor, nevertheless we live well and it is not on charity.

Hon. John M. Macdonald: Honourable senators, I just want to say a few words in support of the stand taken tonight by Senator Kinley and Senator Hollett. I particularly wish to congratulate Senator Kinley upon the fine speech he has just delivered. He has an extensive knowledge of the fisheries of the Province of Nova Scotia, and I am sure we are all indebted to him not only for his speech on the bill itself but for his review of the history of the events which led up to the making of this award in the first place.

It does seem to me that this is a moral question. Certainly, no one can say that legally the Government is bound to pay this award. The legislation was passed in 1882. It can be amended or repealed by Parliament. But if this has been paid to the fishermen for 86 or 87 years, then I think they have a

vested right in it and it should not be abruptly taken away from them. Perhaps the time has come when some changes should be made. If $10 or $12 per fisherman is not sufficient to make it worth while to them, and the cost of administration is too high in proportion to what is paid out, then perhaps something different should be done. But if something different is done with this money, it should be done for the benefit of the fishermen and it should be over and above and apart from the ordinary work of the Department of Fisheries and Forestry. If the situation were handled that way, I would see no objection to it.

It is said, of course, that the amount is so small that it would make no substantial difference, but there is a question of principle involved here. Certainly, the amount is small; but what if the amount were large? If the amount to be paid to each fisherman were $1,000, would the Government be justified in abruptly cutting it off and throwing it in with the general revenues of the Department of Fisheries and Forestry? I think not.

The sponsor of the bill (Hon. Mr. Burchill) mentioned that section 5 of the Fisheries Development Act authorizes expenditures for various purposes. That is true, but it bears no relation whatever to this bill, because the moneys can be paid to any fishermen in Canada under that section, while we claim that this sum has been set apart for the benefit of the fisheries of the east coast—the three Atlantic provinces and the Province of Quebec, and it should be continued to be used for their benefit.

Hon. Mr. Hollett: Hear, hear.

Hon. Mr. Macdonald: That was the original intention, and that can be seen from the fact that it was so set out in the *Debates of the Senate* of 1882, which I took the trouble to look up to see what was said about this act. Very little was said. Only one senator, the honourable Senator Power from Halifax, spoke on the question. I should like to quote part of what he said at page 768 of the *Debates of the Senate* for 1882, May 18. He said:

> What we would really be entitled to if that Fishery Award which was paid over to the Government shortly after they came into office had been distributed as it should have been, the interest on that $4,500,000 at five per cent would have been $225,000 a year. It is now four years since the award was made, so that the fishermen are at this rate really entitled to $900,000 instead of this beggarly allowance of $150,000. My contention is that the Government, in passing this measure, instead of doing justice to the fishermen, are really paying them only a very small instalment of what is due to them.

I would add that under this act they have been taking away from the fishermen that very small instalment which they have been paying them.

Once again I congratulate Senator Kinley on this very fine address.

Hon. Mr. Kinley: May I enter as an appendix to the report of our proceedings today some tables from the Department of Fisheries regarding fishermen?

The Hon. the Speaker: Is it agreed honourable senators?

Hon. Senators: Agreed.

(*For tables see Appendix, pp. 687-8*)

Hon. G. Percival Burchill: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform the Senate that if honourable Senator Burchill speaks now, it will have the effect of closing the debate.

Hon. Mr. Burchill: Honourable senators, I rise to join with Senator Macdonald in congratulating Senator Kinley and Senator Hollett on their impressive speeches this evening. They made some excellent points and we all enjoyed listening to them. The only comment I have to make is to remind them of what I said when I introduced the measure. At that time I said that the royal commission appointed to investigate the fisheries in the Maritime Provinces in 1928, 42 years ago, recommended that the amount provided in the act be devoted to some other productive use, and my information from the department is that that is now the intention. This money will not be lost to the fishermen, nor will it be taken away from them. It will be put to some other productive use in the interests of the fishermen.

Hon. Mr. Hollett: May I ask the honourable senator a question? Is he aware of the fact that in 1968 some 5,000 fishermen in Nova Scotia received that bounty?

Hon. Mr. Burchill: Yes, I appreciate that, but the argument of the department, as I pointed out, is that the amount received is so

small nowadays that the sum can be put to better use in other ways for the fishing industry.

That is all I have to say.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

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

PRIVATE BILL

NATIONAL FARMERS UNION—
SECOND READING

The Senate resume from Thursday, March 5, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill S-22, to incorporate National Farmers Union.

Hon. Hazen Argue: Honourable senators, I realize the hour is getting late, and I would very much like to adjourn the debate. However, I am informed by the leader that it is desirable that this bill receive second reading this evening because the officials of the Farmers Union are in Ottawa and it is hoped that they might appear before our committee at 10 o'clock tomorrow morning. For that reason I shall proceed with my remarks.

As honourable Senator McDonald explained in introducing this measure, it is to incorporate the National Farmers Union. This is an organization being established on a national basis, made up of farmers' organizations already operating on a provincial basis, together with the existing Farmers Union.

I wish at this time to congratulate the officers of the National Farmers Union for their foresight in proceeding with the setting up of this organization, because I think that such an organization is required as a spokesman for farmers and can do very useful work. There are of course other farmers' organizations, but the National Farmers Union is, in my view, a grass roots farmers' organization. There are organizations on a commercial basis representing various interests or sections of agricultural producers in Canada. Some of these are huge business corporations, and I think that while they may in fact represent their members, nonetheless they have a vested interest in representing the corporation itself, and they advocate those things that are beneficial to the corporation even though at times such policies may not be in the best interests of the ordinary agricultural producer of this country.

The National Farmers Union gets its membership year after year by asking individual farmers to make a subscription. Because it is a grass-roots farm organization, it has real strength in speaking for the ordinary agricultural producer. I happen to be a member of many farm organizations as I know Senator McDonald from Moosomin also is. However, I have the honour of being a paid-up member of the Saskatchewan Farmers Union for a great many years. I continue to hold this membership. My wife also has a membership in the Farmers Union as have members of my family. Therefore, I am pleased to speak in favour of this motion at this time.

When the Prime Minister considers future appointments to the Senate, as I hope he is now doing, I hope he will take into consideration the service given by Canadians in farmers' movements and in the organization under discussion at this time. Over the years, the Farmers Union, divided into provincial sections, has achieved important accomplishments and made outstanding contributions to the agricultural industry.

The country is considering a White Paper which, among other things, will abolish the straight-line method of depreciation of agricultural machinery. I hope that that particular policy is not proceeded with. We have a provision in our Income Tax Act which allows agricultural producers to elect to adopt either the straight-line method of depreciation or the diminishing balance method. I can remember the great campaign put on by the Farmers Union years ago to have the straight-line method of depreciation on agricultural machinery kept in the law of this country, and they were successful at that time. I hope they are out campaigning for the same thing again, and I hope they will have continued success in this regard.

They provide many services to their own members. They have an income tax service to their members, which is very valuable in the communities in which they function. Sometimes they go beyond the scope of the provisions of this bill, as they have done in Saskat-

chewan in recent weeks, where it has been reported that certain of the Metis living in Saskatchewan were in need of food, and the Farmers Union took the initiative of milling into a type of meal some of the surplus wheat donated by farmers. I think this was a laudable thing they did.

The head office of the union is to be located in the City of Winnipeg. I certainly have no objection to Winnipeg or any other city, but I believe that if the National Farmers Union is to be fully effective it should have an office in the City of Ottawa, staffed by personnel of the Farmers Union who will be able to visit the members of the Commons and Senate, to place before them the desires and wishes of the union and of the agricultural producers in Canada. There is not the close contact today between agricultural producers and parliamentary representatives that there should be. Sometimes the contact is the Prime Minister going to the Prairies; sometimes it is representatives of the Farmers Union coming to Ottawa. But these visits are too infrequent, in my judgment, to achieve the desired results.

Years ago the Farmers Union had a representative in Ottawa, who could come into the offices of Members of Parliament—no high-pressure lobby—to discuss with the members of the other place and with senators at that time the policies and requests of the farm organizations. That is all to the good.

We have seen some high-pressure lobbies on Parliament Hill in the past—insurance lobbies, drug lobbies—and there are lobbies today against the White Paper on Tax Reform. I feel that if the farmers are to receive justice, they too need a lobby in Ottawa—a lobby in the best sense of the word—to bring their wishes to the attention of members in the Commons and in the Senate.

An important policy announcement was made in the Commons on February 27 with regard to the grain producers on the Prairies. I have some very serious reservations about parts of that policy. I understand the Farmers Union representatives were asked to meet with the Government for a short period of time on February 11. I understand they were asked to meet with representatives of the Government again for a short period on Feburary 20. Then the policy was announced on February 27. I would think that it is in the interests of the Government and of the agricultural producers to have much closer contact than is the case today, to have much closer liaison between the farmers, the farm organizations and the Government. That kind of liaison would be to the advantage of the Government and the producers.

I am positive in my own mind—and I hope I am proven wrong—that in this announcement I have referred to, cutting back on grain acreages, summerfallow, quota basis, and so on, there are some very serious flaws. I think they would not exist if the Farmers Union had had an office in Ottawa with continuing representation being made to Members of Parliament in both houses. I would think the policy would gain from such contact.

So, at this time I express the hope that, in considering their organization for the future, if the Farmers Union decide not to have its head office in the City of Ottawa, it will at least open an office in Ottawa so that the wishes of its members may be known.

Honourable senators, I am delighted to support this measure. I congratulate the members of the Farmers Union who have had the foresight to take this important step. A successful national farmers union in the future will be good for the agricultural producers and for Canada.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

SUSPENSION OF RULE 95

Hon. A. Hamilton McDonald moved, with leave of the Senate, and notwithstanding Rule 45(1)(a):

> That Rule 95 be suspended with respect to Bill S-22, intituled: "An Act to incorporate National Farmers Union".

He said: Honourable senators, some weeks ago when the executive of the National Farmers Union and their legal counsel approached me with respect to the sponsorship of this bill they asked for some intimation of when they would be expected to appear before the committee of this House which would study the bill. They made this request because at this time an organizational campaign with respect to the union is being conducted across Canada, and they wished to set aside some time for their appearance before the committee.

I assured them that if it was at all possible this bill would be considered by the committee tomorrow. This is the reason I am asking

for a suspension of the rule. This will accommodate the officials of the union and their legal counsel, who have made arrangements to be here tomorrow and who have, I understand, already arrived in the city.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Martin: I have been asked to remind honourable senators that tomorrow will be a very busy day for committees. The Standing Senate Committee on Banking, Trade and Commerce will meet at 9 o'clock in the morning; the Standing Senate Committee on Legal and Constitutional Affairs will meet at 10 o'clock; the Standing Senate Committee on Health, Welfare and Science will meet at 2 o'clock in the afternoon; and the Special Committee on Mass Media will meet three times.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*see p. 683*)

DEEP SEA FISHERIES ACT

Tables Referred to in Debate on Second Reading

DEPARTMENT OF FISHERIES
SUMMARY OF FISHING BOUNTY PAYMENTS UNDER THE DEEP SEA FISHERIES ACT
FOR THE FISCAL YEARS 1956–67 to 1967–68, INCLUSIVE

	1967–68	1966–67	1965–66	1964–65	1963–64	1962–63	1961–62	1960–61	1959–60	1958–59	1957–58	1956–57
Total Expenditure	159,843	159,540	159,860	159,004	159,991	159,480	159,998	159,324	160,000	159,821	159,683	159,857
Number of Fishermen	10,642	11,623	11,386	12,593	12,654	12,902	12,549	12,896	13,237	13,804	12,750	12,207
Rates of Payment												
to Fishermen	11.25	10.30	10.90	9.60	9.95	9.85	10.15	9.95	9.70	9.40	10.30	10.95
to Boat Owners (per Boat)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
to Vessel Owners (per ton—to a maximum of 80 tons)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

FISHING BOUNTY PAYMENTS 1968–1969

Province and County	Boats	Men	Amount	Vessels	Tons	Men	Amount	Total amounts
			$				$	$
Nova Scotia								
Annapolis	49	64	775.40	21	480	57	1,126.95	1,902.35
Antigonish	18	25	301.75	4	43	7	122.45	424.20
Cape Breton	109	165	1,981.75	56	2,124	305	5,392.75	7,374.50
Cumberland	9	10	122.50	1	10	2	32.70	155.20
Digby	91	137	1,645.95	84	1,827	214	4,246.90	5,892.85
Guysborough	180	240	2,904.00	28	1,430	221	3,938.35	6,842.35
Halifax	305	408	4,935.80	46	3,405	345	6,055.75	10,991.55
Inverness	32	41	497.35	25	693	83	1,635.05	2,132.40
Kings	10	17	202.95	2	29	3	63.05	266.00
Lunenburg	237	263	3,222.05	43	4,035	523	8,850.05	12,072.10
Pictou	6	7	85.45	—	—	—	—	85.45
Queens	67	108	1,292.80	36	1,171	163	2,913.05	4,205.85
Richmond	68	106	1,271.10	21	864	141	2,297.35	3,568.45
Shelburne	218	318	3,826.69	259	4,798	659	12,172.65	15,999.25
Victoria	117	169	2,035.15	12	198	42	674.70	2,709.85
Yarmouth	3	6	71.10	90	2,872	360	6,837.00	6,908.10
	1,519	2,084	25,171.70	728	23,979	3,125	56,358.75	81,530.45

Province and County	Boats	Men	Amount	Vessels	Tons	Men	Amount	Total Amounts
			$				$	$
Prince Edward Island								
Kings	108	148	1,787.80	10	509	72	1,326.20	3,114.00
Prince	341	537	6,435.95	5	55	10	168.50	6,604.45
Queens	98	170	2,026.40	7	83	14	241.90	2,268.30
Total	547	855	10,250.15	22	647	96	1,736.60	11,986.75
New Brunswick								
Charlotte	39	55	663.25	91	2,472	312	5,981.20	6,644.45
Gloucester	253	389	4,668.15	156	4,288	554	10,569.90	15,238.05
Kent	33	52	623.20	55	636	92	1,680.20	2,303.40
Northumberland	27	43	515.05	83	949	155	2,708.25	3,223.30
Westmorland	11	12	147.20	14	174	21	412.35	559.55
Total	363	551	6,616.85	399	8,519	1,134	21,351.90	27,968.75
Quebec								
Bonaventure	68	102	1,225.60	29	1,406	113	2,411.55	3,637.15
Gaspé	290	425	5,113.75	103	2,931	404	7,448.40	12,562.15
Magdalen Islands	248	484	5,741.40	45	1,365	182	3,430.70	9,172.10
Matane	79	139	1,656.65	—	—	—	—	1,656.65
Saguenay	601	859	10,350.65	3	219	30	513.50	10,864.15
Total	1,286	2,009	24,088.05	180	5,921	729	13,804.15	37,892.20
GRAND TOTAL	3,715	5,499	66,126.75	1,329	39,066	5,084	93,251.40	159,378.15

THE SENATE

Wednesday, March 11, 1970

The Senate met at 3 p.m., Honourable Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers.

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMMONS GALLERY

The Hon. the Speaker: Honourable senators, as previously announced, the Minister of Finance will deliver his Budget Speech in the other place tomorrow evening at 8 o'clock.

May I be permitted to remind honourable senators that none but senators will be admitted to the Senate gallery of the House of Commons on that occasion. This step is being taken for the purpose of providing accommodation in the gallery for as many senators as possible. In this manner, senators will not be excluded from the gallery because of many of the spaces being occupied by relatives and friends of senators.

May I add that such instructions were first issued in 1931 by the then Speaker of the Senate, the Honourable P. E. Blondin, and this practice has been followed ever since by successive Speakers.

CANADA-SWEDEN SUPPLEMENTARY INCOME TAX AGREEMENT BILL, 1969

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-156, to implement a Supplementary Income Tax Agreement between Canada and Sweden, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CRIMINAL CODE

PUNISHMENT FOR THEFT—BILL TO AMEND—REPORT OF COMMITTEE

Hon. Earl Urquhart, Acting Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill S-21, to amend the Criminal Code, and had directed that the bill be reported without amendment.

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

Hon. Mr. Urquhart moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

NATIONAL FARMERS UNION—REPORT OF COMMITTEE

Hon. Earl Urquhart, Acting Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill S-22, to incorporate National Farmers Union, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

COMPANY OF YOUNG CANADIANS ACT

CONSIDERATION OF BILL C-176 BY HEALTH, WELFARE AND SCIENCE COMMITTEE

Hon. A. Hamilton McDonald: Honourable senators, the scroll forecasts the report of the Standing Senate Committee on Health, Welfare and Science on the bill on the Company of Young Canadians Act.

In Senator Lamontagne's absence, I should like to report to the house that that committee met at 2 o'clock and, under normal circumstances, would have presented its report today. However, further explanation was required from officials of the department in respect of certain sections of the bill and, accordingly, I now advise all members of that committee that it will meet again when the Senate rises today.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Thursday, March 12, at 2 o'clock in the afternoon.

Motion agreed to.

URANIUM

CANADA'S PARTICIPATION IN GAS CENTRIFUGE URANIUM ENRICHMENT PLANTS ABROAD—INQUIRY ANSWERED

Hon. Daniel A. Lang inquired of the Government, pursuant to notice:

> Has the Canadian Government or any of its agencies, at any time, asked or been invited by the Netherlands, the Federal Republic of West Germany, Great Britain or any one or more of those countries, to participate in the development and building of the gas centrifuge uranium enrichment plant announced yesterday by those three countries jointly?

Hon. Paul Martin: Answered.

(*The answer follows*)

> Neither the Canadian Government nor any of its agencies has asked or been invited at any time by the United Kingdom, the Netherlands or the Federal Republic of Germany to participate in the development and building of the two gas centrifuge uranium enrichment plants being constructed jointly by these three countries.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 12, 1970

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

12 March 1970

Sir,

I have the honour to inform you that the Hon. Gérald Fauteux, Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, March 12, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

MOTOR VEHICLE SAFETY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-137, respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another.

Bill read first time.

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

Motion agreed to.

CAPE BRETON DEVELOPMENT CORPORATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-138, to amend the Cape Breton Development Corporation Act.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Prices and Incomes Commission (Mr. John H. Young, Chairman) entitled "Steel and Inflation".

Report of the Export Credits Insurance Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the nine months ended September 30, 1969, pursuant to sections 17 (3) and 18 of the Export Credits Insurance Act, chapter 105, and sections (3) and 897 (3) of the Financial Administration Act, chapter 116, R.S.C., 1952.

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 11, 1970, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952.

COMPANY OF YOUNG CANADIANS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Maurice Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-176, to amend the Company of Young Canadians Act and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. McDonald: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

The Hon. the Speaker: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(b), it is moved by Hon. Mr. McDonald and seconded by Hon. Mr. Smith, that this bill be now read the third time.

Hon. Paul Yuzyk: Honourable senators, I moved an amendment to this bill in committee to give representation on the council to the volunteer workers. The committee had a lively discussion, and in the end the amendment was voted down by a slim margin. However, may I state that the amendment provided for a voice by the volunteer members but not for a majority of council. My arguments were presented to the committee.

On the motion for third reading I wish to state that I still consider this measure to be too drastic, though I understand why the minister is anxious to go ahead with this present structure. I do believe that the vast majority of the volunteer workers were constructive and positive, and that they should have had a voice in the council, even in the minority. As my amendment has been voted down, I hope that this measure will be of a temporary nature only, and that when the Company of Young Canadians is functioning smoothly, normally and satisfactorily, an amendment will be made to the act to establish a more democratic structure than is the case now.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Mr. Yuzyk: On division!

Motion agreed to and bill read third time and passed, on division.

ADJOURNMENT

Hon. Paul Martin: Honourable senators, I move, with leave of the Senate, and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, March 17, at 8 o'clock in the evening.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, Senator Grosart complained last week about our procedure as to the work of the Senate and suggested that we should try to give some intimation of the work envisaged in the forthcoming week. I agree with his suggestion; in fact, I followed this practice for a number of months until an exception was taken. It was said that what I was doing was reading the Order Paper,—which, of course, was true.

However, in compliance with the suggestion made by Senator Grosart, I wish to say now that next week we will conclude the debate on the second reading of Bill C-134 to amend the Coastal Fisheries Protection Act, and Bill C-183 to amend the Agricultural Products Cooperative Marketing Act, after which, if the house agrees, these bills will be referred to committee. There would certainly be no objection to speeches on these measures before they are referred to committee from others than the sponsors. Personally, I should like to see more debate on these bills before they are sent to committee.

Bill C-137, the Motor Vehicles Safety Bill, and Bill C-138 to amend the Cape Breton Development Corporation Act, have been ordered for second reading on Tuesday next, and we will definitely proceed to debate on second reading of both those bills then. After that we will continue the debate on the motion that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to examine procedures for review by the Senate of statutory instruments. I believe that a number of senators still wish to speak on this motion, and I certainly encourage a wide participation in this important debate.

The Special Committees on Poverty and Mass Media will meet on Tuesday, and the Standing Senate Committee on Foreign Affairs will meet both morning and afternoon of that day to continue its examination of Commonwealth affairs, with particular reference to the Caribbean area. It will consider also Bill C-12, to establish the International Development Research Centre.

On Wednesday, the Standing Senate Committee on Banking, Trade and Commerce will meet to hear some important witnesses on the White Paper. Consideration will be given to Bill C-133 to repeal the Deep Sea Fisheries Act and other bills that will be referred to the committee. The Standing Senate Committee on Legal and Constitutional Affairs will also meet on Wednesday to consider the Expropriation Act. The Special Senate Committee on Mass Media will meet morning and evening on Wednesday.

In view of the heavy committee schedule for Wednesday, it would perhaps be advisable for the Senate not to sit, but to devote the whole day to committee work. When I intimated this to the Leader of the Opposition

this morning, he and I agreed that we should make that decision on Tuesday evening.

A message from the House of Commons is expected early next week asking the Senate to join with that house in the appointment of a joint parliamentary committee on price stability. It will be necessary for us to appoint six of our members to that committee.

On Thursday morning the Standing Senate Committee on National Finance will meet to consider the main 1970-71 Estimates and the 1969-70 Supplementary Estimates (B). There will also be a meeting of the Special Senate Committee on Poverty. On Thursday we shall receive reports from the various committees on the legislation they have dealt with, and then continue debate on the undisposed items on the order paper.

PRINCE EDWARD ISLAND

TERMS AND CONDITIONS OF AGREEMENT COVERING DEVELOPMENT PLAN—DEBATE ADJOURNED

Hon. Orville H. Phillips (Prince) rose pursuant to notice:

> That he will call the attention of the Senate to the failure on the part of the Government of Canada and the Government of the province of Prince Edward Island to ensure the carrying out of all the terms and conditions of the Agreement Covering Development Plan for Prince Edward Island, made 7th March, 1969, between the two Governments.

He said: Honourable senators, on March 7, 1969, the federal Government and the Government of the Province of Prince Edward Island signed an agreement for a 15-year development plan for that province. Prior to the signing we were subjected to a long series of announcements, statements and studies. Some of these were factual and some of them not as factual. After a great deal of fanfare the plan was signed. In short, it is based on what I would term the Wellington Street doctrine. That is, the bureaucrat knows best and a bureaucrat must be in control. The details of the plan are hidden in a lot of jargon and various terminology expressed throughout the plan, such as joint advisory boards, joint co-chairmen, joint management groups, plan co-ordination and plan implementation. One is reminded of the expression, "A commissioner here and a commissioner there." In the Island we say, "A Trudeaucrat here, a Trudeaucrat there, and a Trudeaucrat everywhere."

Hon. Mr. Martin: May I ask a question? Did I understand the senator to say that Trudeau supporters were everywhere?

Hon. Mr. Phillips (Prince): No. Trudeaucrats, not necessarily supporters—it makes a difference.

At one time on the Island we used to look at a stranger and consider him a tourist. Now we are not sure whether he is a tourist or a planner.

The organization was set up in such a way that by the time most of these people find their place in it, they will be ready for retirement. The management was set up mainly under the Federal-Provincial Advisory Board. This consists of five representatives from the provincial government and five from the federal Public Service. These persons meet twice a year to approve the budget and the projects and in turn submit them to the federal Treasury Board for approval. The joint secretaries of this board then become chairmen of the management group.

Here is a unique aspect of the development plan. I find that everyone seems to be a failure unless he develops into a chairman of some group, and it is rather interesting to find that the secretaries of one group become chairmen of the next. The management group was to do the necessary surveys and planning in order to pass them up to the senior level, and the third level was to consist of local volunteer groups offering their knowledge and advice. For some reason the local advisory groups seem to have been forgotten. Perhaps you could say that they are in the planned parenthood stage and have not gone beyond it.

The agreement which outlined certain procedural methods was to be followed in all projects. These seem to have been assigned to the Archives, because neither the Treasury Board nor the Department of Regional Economic Expansion is following the procedure as laid out in the agreement of March 7.

In my remarks I wish to deal with three specific points which have been completely ignored—these are three points out of 18—in the first six months of operation of the plant. I shall read to honourable senators Article 9, which states:

> Each development program or project jointly agreed to by Canada and the Province shall specify the objectives of the program or project and outline the details as to how the program or project is to be carried out, the time schedule

involved, the priority of the program or project in terms of the Plan, the cost, the share of the cost to be borne by each party, the share of any revenue and assets from the program or project that will accrue to Canada and the Province and the expected benefits that will accrue from the program or project.

Later I will relate this to one specific project. If I may, while I have the agreement before me I will read Article 10, as follows:

The following conditions with respect to employment and the award of contracts under this Agreement and any memorandum of implementation shall apply to all programs and projects carried out thereunder and in the case of paragraph (b) hereof shall be made a condition of all contracts entered into thereunder.

(a) Where practicable the recruiting of labour shall be conducted through the Canada Manpower Centres of the Department of Manpower and Immigration.

(b) In the employment of persons on any project, there shall be no discrimination by reason of race, sex, national origin, colour, religion or political affiliation.

I am going to relate this to a project under the section of the development plan dealing with tourism and recreation, which is the Mill River complex. According to press announcements, this complex was to consist of a golf course, motels, restaurant, swimming pools, marina for tourist pleasure boats and various other items that would normally be found in such a complex.

The site was selected by a member of the provincial cabinet. I might add that he was a member without portfolio. The Premier does not seem to trust him enough to give him a portfolio, yet this individual operates freely within the program.

I received certain complaints and inquiries last November, and I directed two questions to the Department of Regional Economic Expansion about the marina, and pointed out to them that if one is going to have a marina, it is a good idea to have water available in the area, at least enough to launch a boat. They checked and decided that the marina could not be placed there.

Then I pointed out to them that they picked a very poor beach.

Hon. Mr. Rattenbury: Would the honourable senator permit a question? I read the paper thoroughly this morning, but I did not notice an announcement of an early election in Prince Edward Island. This would appear to me to be the opening gun of an election campaign, to get in on it.

Hon. Mr. Phillips (Prince): I appreciate the compliment when the honourable senator refers to me as an opening gun. I never thought of myself in that regard. I am afraid I cannot tell him anything about an election. He would need a more direct contact there than I have.

As I say, the survey on the beach showed that they had bought one of the poorest beaches available on the Island. I thought this would probably make the joint advisory board stop and reconsider. Instead of that, they went on. They rushed to the point which one might call the "point of no return."

I received an inquiry as to why 45 men were cutting wood on this proposed golf course. On February 4, I wrote the Minister of Regional Economic Expansion asking if the federal Government was participating in the complex, and, if so, the basis of the participation, the number of persons employed cutting trees on the proposed golf course, the amount of wood cut, and the number of personnel engaged through the Canada Manpower Agency.

I received a very frank and honest answer from the minister. He advised me that the federal Government was providing 75 per cent of the money and the province 25 per cent. Instead of 45 day labourers—and I might say to Senator Rattenbury that I probably could have found a dozen for him—they had 75 daily on the project. They had cut 1,600 cords of wood. None of the day labourers were hired from the Manpower Agency.

Hon. Mr. Rattenbury: I am not concerned with the number of labourers, but with whether or not we are in the middle or at the start of an election campaign in Prince Edward Island.

Hon. Mr. Phillips (Prince): The honourable senator knows that I would have no interest in an election campaign in Prince Edward Island.

Hon. Mr. Rattenbury: Oh, oh.

Hon. Mr. Phillips (Prince): While I appreciate the fact that the minister honestly admitted that there had been a good deal of dishonesty, I was also impressed by the Madison Avenue approach that the minister uses on his

letterhead now. The Coat of Arms has disappeared from the letterhead and we now have what looks like a half-note in music. I thought that was rather appropriate, because a half-note in music would signify a half-hearted effort on the part of the Department of Regional Economic Expansion.

Hon. Mr. Martin: He is a very hardworking minister.

Hon. Mr. Phillips (Prince): It is unfortunate that he did not spend more effort on the economic expansion.

As I mentioned not one employee was hired through the Canada Manpower Agency. I thought it may have been that the Minister of Manpower is rather unpopular in that area but then I recalled that during last winter he visited Prince Edward Island and made an announcement on behalf of the Minister of National Defence. It seemed to be necessary that he do it rather than the Minister of National Defence. He made the announcement from the Department of Manpower office in Summerside, which is 30 miles from the proposed complex. It is rather odd that while he was in the department office he did not have time to inquire about this.

I would not wish to hurt the feelings of any senators opposite by saying that it looks to me to be more than a coincidence that both the federal Government and the provincial government are of the same political stripe—but, unlike Caesar's wife, they are not above suspicion.

As I pointed out, in Article 10, all projects must be agreed upon and the plans presented.

I asked for the plans for the development. Much to my surprise, I find that no plans actually exist for this development. I wonder how the province and the federal Government got around Article 10 in the agreement.

Honourable senators, I would like to point out to you that the day-labour has cost the federal and provincial governments approximately $100,000. This works out roughly to a little more than $55 a cord for cutting the wood. I am sure Senator Burchill would agree with me that that is rather high for cutting a cord of wood. The economists and the joint advisory board have a project in mind by which they are going to recover certain expenses. They will sell the wood at $20 a cord, if they can sell it. This, in my simple Maritime arithmetic, means a loss of about $35 a cord. Yet this is done in the name of progress and development.

Imagine $100,000 being expended on three farms—this is not virgin soil; it is land that had been farmed up until the last couple of years! I came to the conclusion that they must be giving the 300 acres of land they purchased a Yul Brynner haircut, in other words, leaving it completely bald.

I know many senators opposite are aware that a former highly respected member of the provincial cabinet resigned, complaining of mismanagement, and of the supremacy of the planners. Senator Rattenbury will confirm me in this, I am sure. He stated that the province could not afford this type of mismanagement. Recently he said—and he will correct me if I am wrong—it would be a financial disaster for the province to continue it.

Hon. Mr. Rattenbury: The financial disaster in the province in which both of us were born, Senator Phillips, merely ended with the shipyard in Georgetown and the frozen food plant there. Perhaps your research has extended to that also?

Hon. Mr. Phillips (Prince): I am sure the planners used that as a training ground, because they have gone on to far better things in the plan than they did in Georgetown. I will point out to you the situation in Brudenell Park, which is, as you know, a very beautiful provincial park including a golf course. For the benefit of those who are golfers I should like to digress for a moment and describe the official opening of that golf course. The Minister of Tourism on the Island was given the duty of officially opening the golf course. A bit of a duffer in golf as well as in politics, his first swing was a complete miss. So were his second and third swings. He finally managed to hit the ball on his fourth attempt, but by that time it had cost the province about $100,000 a stroke.

Hon. Mr. Martin: I hope the honourable senator realizes that what he is saying now might very well affect one of the preoccupations of Senator Connolly (Ottawa West).

Hon. Mr. Phillips (Prince): I am aware of certain of Senator Connolly's qualities; I am not aware of his golfing ability.

Hon. Mr. Martin: Not very good.

Hon. Mr. Phillips (Prince): To continue, the planners designed a special tourist accommodation; it had to be special because of the short season on the Island and it was considered necessary to recover the investment in a period of approximately six weeks. The plan-

ners proceeded on the assumption that the ideal unit could be a prefabricated structure, costing $3,000 per unit. At the moment they have exceeded $9,000 per unit, and that is not the end of it. In other words, their underestimation is merely in the order of 200 per cent, which is really pretty good for them, being the closest they have come to the truth yet.

I could go on in this vein, honourable senators, pointing out waste after waste in that program, but suffice it to say that the Treasury Board and the Joint Advisory Board have not supervised the expenditures as required by the agreement. I hope the Chairman of the National Finance Committee will see fit to have these matters taken before the National Finance Committee and that we will be given a full and detailed explanation, an explanation which though not necessarily better, will be a more detailed than mine. Further, I hope that in future both governments will make an effort to keep within the terms of the agreement.

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

CURLING

CANADIAN CHAMPIONS—CONGRATULATIONS TO VICTORIOUS MANITOBA RINK

Hon. J. Campbell Haig: Honourable senators, I wish to bring to the attention of this honourable house an event of national importance that happened last week in my home city. It was the occasion of the Annual MacDonald Brier which is emblematic of the Canadian Curling Championship. All ten provinces were represented, including an extra rink from northern Ontario. It was a very successful Brier. All records were broken for attendance at the arena. Almost five times the number of people who attended in 1952, more than 60,000, were present at the games being played from Monday afternoon until Friday afternoon.

The reason I bring this matter of national importance to the attention of this house is that the Brier was won by a rink from Winnipeg, the rink skipped by Don Duguid of the Granite Curling Club of that city.

Hon. Senators: Hear, hear.

CANADA-SWEDEN SUPPLEMENTARY INCOME TAX AGREEMENT BILL, 1969

THIRD READING

Hon. A. Hamilton McDonald, for Hon. Mr. Hayden, moved the third reading of Bill C-156, to implement a Supplementary Income Tax Agreement between Canada and Sweden.

Motion agreed to and bill read third time and passed.

CRIMINAL CODE

PUNISHMENT FOR THEFT—BILL TO AMEND —THIRD READING

Hon. John M. Macdonald moved the third reading of Bill S-21, to amend the Criminal Code.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

NATIONAL FARMERS UNION—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill S-22, to incorporate National Farmers Union.

Motion agreed to and bill read third time and passed.

SALTFISH BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, March 10, the adjourned debate on the motion of Hon. Mr. Petten for the second reading of Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

Hon. John J. Kinley: Honourable senators, the bill before the house for second reading deals with seacoast and inland fisheries. Its principle is to improve the codfish industry so as to make it more profitable and increase the earnings of the primary producers. This is a salutary measure. After debate in the chamber, it will go to the Standing Senate Committee on Banking, Trade and Commerce where it will be well considered.

The subject of the bill is saltfish. Well, the good earth gave us salt, which is a wonderful preservative. We also get salt from sea water by evaporation, and for many years it has served the sea industry well. However, now with progress in refrigeration, rapid transport and fishing methods, the scene has changed and fresh fish has become the most important element of fish food. With beef it is somewhat the same. For many years salt beef was in general use, and while today it is still good, it

is not as widely used. There is an impression abroad that because of these advances the people of the Maritimes are at a disadvantage, especially in Newfoundland.

Before I go further, I would like to tell the house that I was informed last Sunday that Mrs. Marie S. Penny of Ramea, Newfoundland, had died of a heart attack in a Boston hospital. She was the wife of a former member of the Senate. For the purpose of accuracy I will read a clipping from the Halifax *Chronicle-Herald*—

> Marie S. Penny, president of John Penny and Sons Ltd. of Ramea, Nfld. died Friday in a Boston Hospital to which she was taken a week ago after suffering a heart attack.
>
> Mrs. Penny was the wife of the late Senator Gordon Penny of Ramea, on Newfoundland's southeast coast, and served for one year as president of the Fisheries Council of Canada in 1967-68.
>
> Members of the Newfoundland legislature paid tribute to Mrs. Penny following the announcement of her death.
>
> John C. Crosbie, Liberal independent for St. John's West, said she was a great pioneer woman in the fishing industry in Newfoundland and one of the few Newfoundland women to reach a high executive post.
>
> Dr. G. A. Frecker, minister of provincial affairs, said Mrs. Penny was one of the most modern women in Newfoundland yet retained a link with the past.
>
> Fisheries Minister Aidian Maloney, praised her for her leadership and courage and said her hospitality was "legend".

I think that Mrs. Penny remains the pilot light of what can be done for the fisheries in Newfoundland. She succeeded in the fresh fish industry. Now again, we had close relations with the A. E. Hickman firm of Newfoundland over the years, and they were big exporters of salt codfish, but they went out of the business years ago.

I say all this because the impression is that the geographical position of Newfoundland is such that the fresh fish business is not advantageous. I think this is erroneous. Look at the map; it is the most eastern part of Canada stretching out in to the Atlantic. North and south it has a good position on the sea, so I think it is well situated for foreign trade. As you go north around the world, the distance is shorter; if you look at the Air Canada map you will see that the route from Newfoundland to Vancouver is the shortest direct route across Canada. With refrigeration, fresh fish can be shipped to any port in the world.

On a cruise ship in the Mediterranean we once had a dress parade, and I dressed as a Canadian fisherman. I had a suit of oilskins and a sou'wester with me and on the ship I got a fresh codfish from ship's steward and carried it by the gills. I won the prize. So I think Newfoundland, being so geographically situated, is ideal for the fisheries.

The large companies have abandoned salt fish and the product is in the hands of the people who live on the coastline. It is a product that takes time and you must have lots of room and good sunshine. It appears that the two kinds of processing do not go along well together. The smaller man can get pure water from the ocean for washing his fish.

In Nova Scotia the inshore fishermen are largely older men; the younger men are attracted to the deep-sea fishing, and with good roads and truck transportation it is a good industry. In Newfoundland we have all the facilities needed, and the young men of the north will make expert fishermen for the further development of the deep-sea fisheries.

There is a fisheries in Riverport, Nova Scotia, near Lunenburg, that had a large salt fish trade with Cuba, but that has largely if not completely disappeared. I understand that they too have gone out of the salt fish business, so the road is open for the smaller man.

Let us look at the economic situation for a moment. As I said in my reference to Mrs. Penny, the salt fish business is not the main source of income in Newfoundland. The fresh and frozen fish industry is twice as valuable as the saltfish industry. Other fisheries such as salmon, lobster, mackerel, squid, caplin, herring, the seal fishery, fish meal and whale collectively are of much more value than salt codfish. However, the hook-and-line codfish fisherman needs much less equipment than some others, and so this has become the fishery of the poor man on the distant coastline. He is the problem today because of his situation and lack of opportunities. I would add that in Newfoundland these people had very poor transportation facilities, and were very much isolated. However, today they have better roads and with truck transportation and automobiles, they can

serve the deep-sea fisheries because they can more easily reach the markets in St. John's and other places along the coast. I think that in the future the Newfoundland fresh fish industry will receive a tremendous impetus.

National Sea Products in Lunenburg, the largest fish producing company in eastern Canada, has abandoned for some years now the salt fish industry. But I hear they have been attracted to and built a plant in Newfoundland. I am sure they were attracted there because of the nearness of the fishing grounds to the factory and the fact that Newfoundlanders make such great fishermen. I expect they will, as they did in Nova Scotia and New Brunswick, make a great success of this venture in Newfoundland. Needless to say, having had close associations with these people in the past, I hope they will be successful.

Now, with regard to the export of fish, Nova Scotia exports more saltfish than does Newfoundland, and we are told that the 35 per cent of saltfish from Newfoundland is sold to Nova Scotia fish dealers who, it appears, have paid a better price and use their own vessels for transportation. I was always taught that we had free trade in Canada, one province with another under the British North America Act, but it appears that this is not so under this bill.

The honourable Senator Petten in explaining the bill—and he gave a splendid explanation—struck a note when he said:

> In 1918, Sir William Coaker, the then Minister of Marine Fisheries in Newfoundland, attempted to bring in regulations to control grading, packaging, exporting, et cetera. However, he did not have the backing of all exporters, and the plan fell through. With the coming of government by commission in Newfoundland, the commission formed the Fisheries Board and introduced many of Coaker's regulations. Because of their absolute control they could do what he could not.

My objection to this bill is that it creates a monopoly. Parts of section 21 are objectionable, as are parts of sections 22 and 23, which do not protect the liberty of the subject in regard to a fisherman's activities as a producer and curer and the sale of his product in competition.

Under section 15 there is provision for a reduced municipal tax. I think that is salutary. The Government will pay the municipality what it would otherwise receive in taxes, and that will help the municipalities. However, it appears to me that if what is spent on overhead is not a subsidy, then it is a grant, and it amounts to the same thing.

There are now sixty firms in the saltfish industry, some small and some large, in the rural districts of Nova Scotia. They largely supply the American market. We have good inspection under the federal Government and we believe in quality, which may be a feature of the participation by the provincial authorities. I think good fish should have a free market.

Prices are good. I think Senator Robichaud mentioned that in his speech. Senator Hollett said our fishermen got anywhere from $30 to $35 a quintal. I was not too sure of that, but I conferred with the people on the shore. He is right; that is the price today, and it is a splendid price. This is for green codfish for the American market. We are so near the market that we can get our fish to it overnight; there is no difficulty in that regard.

Hon. Mr. Aseltine: How many pounds are there in a quintal?

Hon. Mr. Kinley: 112 pounds.

As I say, prices are good, and we do not believe that this commission will be able to do very much about them. It is a very much higher price than for fresh fish today. Here in Ottawa you pay 90 cents to $1 a pound for it. Of course, it contains no bones such as you have in meat; it is all good to eat. What you eat is largely a matter of training and what you get used to. We ate saltfish every week when I was a boy. Now we eat it for a change; the same applies to corned beef. It is splendid food, and we want good quality. It is selected by buyers who come here from Europe, and they know their job. With a growing population, the market in it could be revived and we could have much larger sales.

We are not being allowed to compete in Canada. We in Lunenburg compete with Newfoundland. You must remember that St. Pierre and Miquelon are just over the horizon, and they are in the fishing business. Norway has a lower standard of living, and they are in the fishing business; and do not forget that Iceland is in the market and they are keen competitors. So, as I say, I do not think we could do much about the price, but with the development of the northern part of the Province of Newfoundland, with easier access by road for trucks and automobiles, by

giving the fishermen a little home to live in and a chance to obtain such amenities as the telephone and television, his way of life could be improved immensely.

People are better educated today, and it is becoming increasingly difficult to get them to live in rural districts. Many good Newfoundlanders have reached and are continuing to reach high places in Canada, and with improvements in education many young men want to go abroad, to places where they will have a better chance of advancement. We cannot help that, but we can make conditions as attractive as possible for them in their own home.

In Lunenburg we had many Newfoundlanders. In fact, we had 800 just before the vote on union with Canada. My wife and I paid them a visit at that time, and I did not know what to say. I could not say much because the feeling was running pretty high in St. John's. I said that if I lived on Water Street in Newfoundland I would vote against joining Canada. I think that pleased them, but there was a small majority in favour of union. As I said, 800 were working in Lunenburg, their families living in Newfoundland, and I think their absence from Newfoundland was almost enough to carry it. I give credit to the fishermen who came to Lunenburg from Newfoundland for carrying the banner of Newfoundland at the time of the Confederation plebiscite. Not so many of them come to Lunenburg now. Times are better in Newfoundland since Confederation; wages are better and they get more on the waterfront.

We are short of men in the fishing business in our part of the country and Newfoundland produces splendid men. We fell down during the war when we did not build houses for them and give them comfortable living conditions. They came to us in the summer and went home in the winter. So, in the end, not many of them came to Lunenburg. I think they have a great opportunity in Newfoundland and if it is grasped and they are properly looked after, they will do well in the fresh fish business.

We used to have the Grenfell Mission boat going to Labrador every summer. It put into Lunenburg, and the crew and captain came from Lunenburg. They were financed by Ottawa—not by the Government, but by prominent businessmen here. She has been taken out of commission now because roads have been put into that part of the country. They can now run a ferry across to Labrador, which illustrates the advances that have been made in communications, and the mission can be supplied in another way.

Hon. Mr. Hollett: I suggest that the honourable senator look up his history of Labrador and Newfoundland, because after you get across the strait there is no road.

Hon. Mr. Kinley: I thought there was now a road right up to St. Anthony.

Hon. Mr. Hollett: There is a rough road.

Hon. Mr. Kinley: I heard that there was a road to St. Anthony.

Hon. Mr. Hollett: But what do you do after you cross the strait?

Hon. Mr. Smith: You go through the tunnel!

Hon. Mr. Kinley: It is a fairly narrow strait, about 12 miles across. However, we will not quarrel about that.

We were told by the gentleman over here that he was not interested in politics. I am interested in politics, but I do not think that politics is being played with regard to this bill, because in the lower house all the members from Newfoundland voted with the minister, and they are not Liberals. In this chamber we are giving it second thought, and some of our friends are trying to give it second thought. I hope that all of us will do so. In this way I hope that we will succeed in obtaining a good piece of legislation. Perhaps some of the amendments Senator Macdonald wants to include will be made, and we will keep our people free in Nova Scotia so that they can operate competitively, without having to receive the blessing of a board before they can sell any fish in another province. I do not like that aspect of the bill.

However, the fishermen of Newfoundland are doing much better, and I do think that the activity in the fresh fish business will increase. It has received the green light from Mrs. Penny, and from the big fish companies of Nova Scotia that are going down to do business. From those facts, and the fact that the big fish companies have retired from the saltfish business in Newfoundland, I think the road is clear and everybody will have a chance. I say that we should buy fish in Newfoundland if we can get it at a better price.

Hon. Mr. Hollett: Yes, at four cents a pound.

Hon. Mr. Kinley: In doing that we will be helping the fishermen, and that is what we want to do.

Hon. James Duggan: Honourable senators, I am very pleased to have this opportunity of adding my comments on Bill C-175, to establish the Canadian Saltfish Corporation, which is designed to rescue the Newfoundland fishermen from the financial straitjacket in which they have been held for a century.

Speaking as a son of a life-long fisherman who holds bitter memories, I can recall my father's words on many occasions to the effect that if some sort of government control is not established for curing, grading, and marketing in our fishing industry, in a very short time deterioration will set in and it will be followed by destruction. Such bitter words were uttered particularly at times when he shared in what appeared to be a bumper trip, and found himself with little or no money at the end of the voyage, then being obliged to seek winter employment to provide for his family.

I wish to commend the minister, the Honourable Jack Davis, for his initiative in having the Government respond to the appeal of the Government of Newfoundland as outlined in Premier Smallwood's letter of February 13, 1963 to our former Prime Minister, Mr. Pearson, from which I quote as follows:

> A federal-provincial program for fishing development to be founded on the principle that national action for fisheries should parallel the action already being taken, and action to be taken for agriculture.

This appeal was followed up in subsequent discussions which have now borne fruit.

It is now the fond hope of all Newfoundlanders that this magnificent piece of legislation will remove the fishermen from the web of the old feudal system which has been the curse of the fishing industry for a century, and which kept many of our forefathers striving during the winter as well as the summer to eke out an existence for themselves and their families.

While one may be inclined to say that some fishermen are not overly enthusiastic about it, various comments, particularly in the news media, may have done more to confuse a number of issues rather than dispel a sense of hopelessness on the part of fishermen which has resulted from their treatment in the ancient and one-sided system under which they and their forefathers were obliged to struggle for an existence.

Honourable senators, I submit that it would be folly to expect that all will be well immediately following the enactment of this bill. Anyone who does not expect this corporation to experience growing pains for a number of years is in for a rude awakening. It may take from two to five years to remove the snags and fears of its being a resurrected or whitewashed version of NAFEL, Newfoundland Associated Fish Exporters Limited. However, with the selection of capable and interested personnel, this legislation will give birth to a true fishermen's marketing board.

I submit, honourable senators, that it has been fairly well established that the saltfish markets were lost to Newfoundland as a result of inefficiency and the keen desire of some members of the trade to make a quick buck. This inefficiency had its beginning, in no small measure, when some members of the trade elected to transport their fish stocks to overseas markets in large ships—termed large bottoms—which resulted in deterioration and a downgrading of the fish cargo.

When the Munns and McRaes from Harbour Grace, and others, were forced to abandon the use of their small cargo vessels with the introduction of the larger ones, a damaging blow was struck to the fishing industry. It also resulted in Harbour Grace losing not only the distinction of being Newfoundland's second city, but a prosperous fishing headquarters as well. There was a marked absence of any worthwhile organization insofar as marketing was concerned. Marketing was done on a fragmented scale, and a pell-mell hurry-scurry basis, with everyone for himself, with disastrous results.

The purpose of this bill is to improve the earnings of the primary producers of cured saltfish—the fishermen. A fisherman is defined as a person engaged in commercial fishing, which means a person who goes down to the sea in boats and/or ships. A producer is defined as a person engaged in the curing of fish for sale. I trust that this bill will, in due course, do the job for which it was designed.

In addition to this, provision is also made for the corporation to accept cured saltfish from so-called independent fish plants such as North East Fish Industries, Birds Eye Corporation, Graham Moores of W. J. Moores Limited, and the like, who may wish to purchase fresh fish from fishermen, process it

themselves, and subsequently dispose of it through the corporation, but being obliged to pay the rate prescribed by the corporation to the fishermen.

At this point, honourable senators, I may say I have some concern in respect of the working conditions and rates of pay prevailing in such fish plants, as they apply to persons engaged in the actual handling of fish. Their lot has not been a happy one in the past, and I wish to call the attention of the corporation to this vital matter. I suggest to the corporation that in its dealings with the fish plants, where underpaid employees are engaged in the curing of saltfish, it should have the necessary authority and desire to impose rules that will ensure suitable working conditions and reasonable wage rates, and that when the threadbare claim of inability to pay is resurrected there will be an audit of accounts conducted to determine whether that claim is authentic.

In conclusion I wish to extend a cordial invitation to the corporation to consider Harbour Grace as a suitable site for the establishment of its headquarters. The town of Harbour Grace is a winter-free port, and if suitable facilities are not already available then suitable locations are available on which such facilities can be erected.

Honourable senators, I give my wholehearted support to this bill, and I offer my best wishes to the corporation for a smooth voyage over a possibly perilous sea.

Hon. Daniel A. Lang: Honourable senators, I know it is rather unlikely that I should rise to say anything on a matter that is as foreign to my knowledge as is this piece of legislation. I must admit that I have not followed the debate very closely, but some of the remarks of Senator Kinley caused me to examine the bill in terms of its constitutional validity. I hope that the committee to which this bill is referred will look at this matter, because it appears to me that this bill is on the fringe of violating the Constitution. It provides for the entering into of an agreement between a group of participating provinces and the federal Government in respect of the restriction of trade as between the participating provinces and the rest of Canada.

I would draw the attention of honourable senators particularly to clause 21 of the bill which provides that this corporation shall be able to license or prohibit any person from sending, conveying, or carrying from one participating province to another or to any other province, any cured fish or the by-products of fish curing.

I question the constitutional validity of an agreement between the federal Government and a group of provinces even as to the restriction of trade among those provinces. It appears to me, from my limited knowledge of constitutional law, that legislation which attempts to restrict trade as between any participating province—that is, in agreement with the federal Government—and some other province that does not participate, could well be outside the ambit of the jurisdiction of the federal Government.

I would hope that this matter will be looked at very closely by the committee that considers this bill.

Hon. Mr. Lamontagne: I do not think that the bill would be clearly unconstitutional if it was provincial legislation, but this is federal legislation and the power to legislate—even to discriminate—in matters of interprovincial trade is clearly within the power of the federal Government.

Hon. Mr. Lang: We may be considering a question of regulation and prohibition. Regulation does not extend to the power of prohibition.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, for Hon. Mr. Petten, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—DEBATE CONTINUED

The Senate resumed from March 4 the adjourned debate on the motion of Hon. Mr. Martin that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

Hon. Andrew Thompson: Honourable senators, the Leader of the Government, with his usual deep scholarship, provided a summary, analysis and recommendation when

presenting the report on statutory instruments tabled in the other place. The Leader of the Opposition has added pertinent and penetrating comments in support of the motion.

Senator Phillips (Rigaud), with his usual erudition and clarity, in analysing the report reached back to the historical background of the emergence of concern with respect to delegated authority. Indeed, he took it back to 1929, the time of the publication of *The New Despotism* by the Lord Chief Justice of England, the Right Honourable Lord Hewart of Bury. That book was a clarion call to alert the British Parliament concerning the danger of the erosion of their responsibilities, and to alert the people of every parliamentary government that their Parliament could become a façade and they could be living under administrative government in an administrative state in which the rights of the people would be decided by a bureaucracy.

I do not rise to speak my few words with any of the impressive and substantial qualifications of the previous speakers. I am not a lawyer and I do not have the distinguished experience of those who spoke before me, the experience they have had, not only as lawyers, but as observers of government. My initiative to speak was stirred first by the rousing challenge of Senator O'Leary. Perhaps with my accent you can understand why the music and sweep of his oratory stirred a particular chord in my veins.

Hon. Mr. Martin: Just think what it is doing in Washington today.

Hon. Mr. Thompson: I am sure it is stirring the American people with the same effect.

Hon. Mr. Martin: I am sure it has shaken the White House.

Hon. Mr. Thompson: I would not go quite so far as that. He cried out at the erosion of the responsibility of Parliament to a faceless bureaucracy. I, having had some experience in another legislative and having studied some of the examples where we handed over our responsibilities to a number of administrative bodies, did respond to this. Let me first of all refer to the definition of delegated legislation that was presented by my leader:

> Delegated legislation means the collection of non-statutory rules, regulations and orders made by the Government, by the Governor in Council, the Treasury Board, or other boards or commissions set up by Parliament.
>
> The problem of keeping Parliament and the public informed with respect to the large volume of this subordinate legislation, and providing opportunities for Members of Parliament to review it, such legislation, has long been discussed by governments in this and other countries.

To the layman this subject matter sounds as though it belongs in the dusty, dry shelves of the academics and perhaps of some of the legal fraternity. Why is it of such vital significance? Why did Lord Hewart's book *The New Despotism* arouse such concern? Senator Phillips (Rigaud) pointed out the theme of the book:

> Its theme was that the administrative branch of government had embarked upon a sinister plan to take over the country, subjugate Parliament and the courts to its bureaucratic will, violate the rule of law and set up a modern counterpart of the tyranny of the Stuart Kings.

We are discussing only one aspect of administrative law but, indeed, there are many other areas that could be under discussion. All of us who have participated in public life at some time or other have felt the fury of impotence as we have tried to represent a citizen of Canada and have been faced with a bureaucrat thumbing through a book of regulations or definitions which never stood before the scrutiny of Parliament. We have seen particularly how some of these regulations or definitions can affect the very lives of Canadian citizens, and we cannot say who was responsible for putting them on the pages of law.

I recall my excitement at the first time I sat in the public gallery of the House of Commons. I remember how I tingled with excitement on listening to a member, a back bencher in the other place, standing up, staring at cabinet ministers and with great oratory denouncing what he alleged was an arrogant government, indifferent to the rights of the citizen. He was a man who is probably known better to some of the other side, coming from a northern Saskatchewan constituency. In my opinion, he was serving his country well and bringing before not only Parliament but all the people of Canada, the cause of a citizen. I remember thrilling to the fact that in our Parliament when a member stands up

and scrutinizes legislation he defends the cause of the individual citizen. That cause can be read and examined in newspapers and by modern media across the land. That is why we should be concerned on realizing that there is legislation and regulations which do not come before the glare of Parliament.

Senator Phillips (Rigaud) pointed out that the House of Commons committee report had shown the extent of such delegated legislation. The committee had examined 601 acts of Parliament and found that 420 of these had provided for delegated legislation. During the period from January 1, 1956 to December 31, 1968, 6,892 regulations covering 19,972 pages, amounting to an average of 530 regulations a year, were published in the *Canada Gazette*. There are examples, of course, of these regulations. One example is the food and drug regulations—not the bill—which consists of a book of more than one inch in thickness. The Meat Inspection Act is seven pages, while the regulations under its authority consist of 64 pages.

Professor Kersell, who wrote *Parliamentary Supervision of Delegated Legislation*, said that the concern is with these regulations. If they are not before the scrutiny of Parliament, but are written after by a faceless bureaucracy, the concern is that the expert public servants may become the masters of the people they are employed to serve.

I am sure that all of us can think of examples of discretionary powers being left in legislation and a bill has gone through which permitted the regulations to be fleshed out later. Indeed, there would probably be openings that a team of horses could be driven through that we have permitted to be left open for the civil service to fill in. Dr. Kersell gave examples when he appeared as a witness. These examples were bills which had passed with broad delegating clauses. He referred to a study of such bills by two other professors. He pointed out a bill—No. 131—which had been passed in 1965 which listed a variety of estimates, specifying in detail how much was to be spent under these estimates, as well as specifying the terms and conditions, et cetera. At the conclusion of the bill it had provided that $750 million were for public works and general purposes. The only restriction under general purposes was that the Governor in Council should provide the rate of interest.

When I think of my own experience in another legislature, when I was a member of the Opposition, I recall a study done by a Professor Schindeler in which he described an example of an amendment to a Department of Agriculture Act which went through two readings in that legislature. It authorized the Minister of Agriculture to guarantee loans for anyone he chose, for whatever purpose and for whatever amount he desired. Fortunately, it was changed, but I am ashamed to say that it was not by the Opposition of which I was a part that this change occurred. It happened to be by a civil servant within the department who said a bill such as that, giving a cabinet minister such wide discretionary powers, should not be passed. Fortunately, it was amended before third reading. It then stated that the maximum loan was for $2,500, only to be used for the purpose of transporting and purchasing water. There are many other such examples.

It is true that all of us deplore these broad delegated powers, but we should also consider the reasons that have been given to justify such delegation. The reasons, of course, are that Parliament is too busy, and that legislation in a modern society is of a highly technical nature. In the initiating stages of legislation, perhaps in an area which is new and untried, there is need for flexibility in order to avoid the necessity of returning to Parliament for an amendment to the current act. There is often a need for rapid decision in cases of emergency. Senator Phillips mentioned these points, but he also queried their validity. Perhaps we accept too quickly and too often the idea of permitting broad legislation and broad clauses.

Dr. Kersell, when he appeared as a witness, stated that there should be much more precision in the drafting of enabling legislation. He said that you do not have to give blanket authority, and referred to Great Britain, the United States Congress, Australia and New Zealand. He said that there is much more precision in those countries. He described Great Britain, in particular during the war years when there was a coalition government, that there was a group of active Conservative backbenchers who refused to let these broad clauses go through until it had been clearly stated that such clauses would be rescinded after the war emergency. After the war that commitment was upheld. They do not easily give up their legislative rights and hand them over to the administration.

Most critics of regulation-making do not seek to deny its necessity in some form. Their complaints have been aimed against the volume and the character of delegated legisla-

tion rather than against the practice itself. The more fundamental of the criticisms can be summarized as follows:

1. The parliamentary tendency to enact statutes in skeleton form, leaving the details to be filled out by regulations, some of which often are the very matters that most affect the citizen.

2. The uncertainty in enabling statutes as to the extent of the area which the regulations are intended to cover.

3. The sweeping or the subjective terms which are used in enabling acts which exclude the judicial control of the regulations made under their authority.

4. The lack of public debate; the inadequate consultation of all interested parties before the making of the regulations.

5. The lack of precision in the form and content of the regulations.

6. The inadequate publicity given to the regulations after they have been made.

7. The inadequate parliamentary control over regulations.

In summary, what has been said is that there is a danger that civil servants may be transformed into our masters if we hand over the drafting of the law to them and do not realize that the drawing up of the law is our own responsibility. The criticisms that I have listed are the criticisms of delegated legislation which were pointed out in the Report of the Committee on Ministers Powers in Britain, in 1932. I responded to Senator O'Leary's challenge because I think some of those criticisms made in 1932 in Britain are still valid in Canada in 1970.

The committee report which was presented reflected a distinguished background in public service of the committee members, and particularly the scholarship of Dr. Mark MacGuigan, the chairman, the member for Windsor-Walkerville. Our Leader, in his presentation on the report, reviewed what had been done at the federal level to find workable solutions to this problem of delegated legislation prior to the formation of the committee. Then he summarized the 22 recommendations which the committee in the other place had made.

I would like to repeat the four broad proposals, rather than elaborate on each of the 22 recommendations.

The committee proposed (1) that the Government consult fully with the public and with parliamentary standing committees, before making regulations. (2) It proposed an extension of the ambit of the present internal scrutiny of regulations by the Privy Council office and the Department of Justice during the making of regulations. (3) It proposed full publication of regulations after they had been made, with limited exceptions. Our Leader pointed out that the exceptions should be discussed when the report is taken to committee. (4) It proposed the establishment of a new parliamentary standing committee on regulations to provide for public scrutiny of those regulations.

Honourable senators, other speakers before me referred to the definition of "regulations". They referred to the guiding principles in the drafting of regulations. I would like to endorse what Senator Martin has said, in that we have been fortunate at the federal level to have had people with the skill and the dedication in the drafting of legislation. I am sure those of us who have had anything to do with drafting legislation are aware just how qualified must be those who do it.

The question which I think has caused interest in this house is the recommendation regarding the scrutiny committee to examine the regulations. We have the advantage in Canada to look at the experience in other countries. We can look at the experience in Great Britain, Australia, India, New Zealand; and we can look at the experience, indeed, in some of our provinces—Manitoba, Saskatchewan—and we can look at Chief Justice McRuer's report and indeed at Bill 125 which is now before the Ontario Legislature.

Honourable senators, what is the breed of animal, what really is the kind of setup that other jurisdictions have with respect to a scrutiny committee? Dr. MacGuigan pointed out that all of the scrutiny committees have the following features in common—they are small committees, they rely heavily upon the preliminary examination and reports of the legal counsel; indeed, comment was made that the legal counsel, the staff of the committee, is the committee. That comment referred to the scrutiny committee in the British house. Also, Dr. Kersell pointed out that Senator Wood, the chairman of the Australian committee, made the same remark.

The other point is that the scrutiny committee is more concerned with form, language, and the operation of regulation than with substance. It is an objective and nonpartisan committee, it reports the result of its examination to the legislature, and it follows certain criteria in examining legislation.

The committee in the other place recommended that there should be a new commit-

tee on regulations, which should be hereafter called the scrutiny committee. They recommended it should be established with the following particulars. The first point they made was that it should be established as a standing committee of the House of Commons.

Dr. Kersell is considered Canada's leading authority on the subject of delegated authority, and certainly the committee, as was pointed out by Senator Phillips, relied heavily on his recommendations, as it did on those of other scholars. But as Senator Phillips said, it seemed not to rely on the one recommendation he had made in his book. At page 27 of his book *Parliamentary Supervision of Delegated Legislation,* Dr. Kersell said:

> It would appear from a comparison of the Australian Senate Committee and the British House of Commons Committee that, useful as the House Committee, is an Upper Chamber Committee enjoys a number of significant advantages.

Senator Martin has elaborated on a number of the points which Dr. Kersell made concerning the advantages of an upper house committee, such as the fact that it is not squeezed by clock and calendar—although I sometimes wonder if that is still valid in this chamber. He referred to the fact that the membership in an upper house committee, as in Britain, Australia and Canada, has a general proportion of able experienced men with long administrative and executive experience. That is certainly valid in this chamber.

Dr. Kersell also pointed out the valuable element of continuity which the upper house has. When he appeared before the House of Commons committee he did not refute this stand that he had made in his book, but rather supported it. He spoke about the Senate being a logical place for this scrutiny. That is why Senator Phillips (Rigaud) found it hard to follow the logic of the House of Commons committee when it suggested that the Commons was the place where the standing committee should be established. I think Senator Phillips referred to the committee's recommendation as a *non-sequitur* based upon a false premise. Well, I am sympathetic to some extent with what must be the motivation on the part of the members of that committee. After all, in the first paragraph of the preface of the report it is stated:

> This report is based on the assumption that public knowledge of governmental activities is the basis of all control of delegated legislation. For parliamentary democracy is a system of government which requires that the executive be responsible to the legislature, and that both be accountable to the people, and that there can be neither responsibility nor accountability where there is no knowledge of what has been done.

The words that strike me are "accountable to the people". On that basis I should like to suggest that there should be a joint committee of both houses. Indeed, some of the key witnesses suggested that a joint committee of the House of Commons and Senate would give us the best of two worlds.

Certainly, the Senate has a proud tradition in the examination of bills. Dr. Kunz, in his book *The Modern Senate of Canada 1925-1963 —A Re-appraisal,* which I read just prior to coming to this chamber, clearly stated that this is a role which the Senate has filled effectively and ably over the years. Senator Martin referred to that role. When we look at the reports of the meetings of the House of Commons, we will see that the members of the committee were undecided about having a joint committee. Some of them felt that this was a logical approach. The expert witnesses accepted the idea of a joint committee. I think if we accept that proposal we will be following the basic underlying theme of the report, which is that if Parliament wants to retain its supremacy over the executive it has to exercise its control over legislation.

Senator Phillips (Rigaud) and Senator Martin pointed out that this was only one area of delegated authority. Senator Martin referred to boards and commissions and Crown corporations. Senator O'Leary referred to the danger of Crown corporations not being given full examination by Parliament. I think we should recognize the number of Crown corporations there are at the federal level. In 1969 there were no fewer than 47 federal Crown corporations directed by more than 200 non-elected officials. Recently I have heard discussions about turning the Post Office and the Department of Public Works into Crown corporations. There is also discussion about the Medical Research Council becoming a Crown corporation. Perhaps in a modern society this is the way to conduct governmental administration. Certainly, the trend is to have Crown corporations. In 1950 there were 26; in 1960 there were 35; in 1969 there were 47.

It surprises me that there has been very little examination of the accountability of Crown corporations in Canada. Very little study has been done. I was interested in look-

ing at some of the discussion in Great Britain in respect of the accountability of Crown corporations.

In this connection I should like to refer honourable senators to a series of lectures, the W. Clifford Clark Memorial Lectures, 1964, delivered by the Right Honourable Lord Bridges, a prominent civil servant in England, who served as Secretary to the United Kingdom War Cabinet throughout the second world war, and who, from 1945 until his retirement in 1956, was Permanent Secretary to the Treasury and was official head of the Civil Service. It is not my intention to elaborate at length on these lectures.

Hon. Mr. Martin: I hope you are not looking at the clock, because you are making an outstanding speech.

Hon. Mr. Thompson: I should like to refer to one lecture, "The Relationship Between Government and Government-Controlled Corporations", written in an urbane, witty style to be expected from a man of the calibre of Lord Bridges. In this talk Lord Bridges cites a number of British corporations which he "suspects" probably add up to about 200. He picks out only certain categories of these, such as The Bank of England, Trinity House, The Race Course Betting Control Board, and The National Stud. If I may, I will quote briefly from his remarks. He says:

> So much for examples. You may ask whether it is an advantage to have this large assortment of bodies conforming to no general pattern.

He illustrates that they do not have any general pattern and he admits that:

> It is of course wildly untidy, often illogical, and impossible to describe.

His next remarks may, indeed, reflect the way in which the British Government has evolved. He makes this observation:

> But it has made it possible to tailor the organization to meet particular needs, and as a result to make the administration acceptable to those concerned. But it is fair to add that the degree of delegation of powers to Boards or Commissions in the Intermediate Band does not usually concern very controversial matters.
>
> On practical grounds, I doubt whether there is much to find fault with in this part of the field, save the difficulty of making it comprehensible.

Lord Bridges then goes on to discuss the relationship between a minister and the boards that are responsible to a minister. In that connection he makes reference to an account given by Herbert Morrison in his book *Government and Parliament,* and in a more or less paraphrase of what Morrision says, Lord Bridges has this to say:

> You see the idea: free, frank and friendly discussion about everything about which either party wants to discuss, avoiding detail and keeping to issues of policy; but each party being fully conscious of the responsibilities of the other party.

He goes on to say:

> This all sounds very sensible, jolly and matey. But it has been described as "old boy basis" and has occasionally been complained of on this account.

Lord Bridges then goes into a description of how the members thought there should be more accountability on the part of boards, and again he describes how a select committee was set up in order to discuss that and how it was ultimately decided to continue it on an informal basis.

In summary, Lord Bridges is saying, however, that when the members wanted to achieve accountability by informal ways they could usually find the answers that they wanted concerning boards and commissions. In their concern they are doing a number of studies under administrative boards. I refer to one which I think would be of interest to honourable senators. This is written by Emmett Redford and bears the title *Democracy in an Administrative State.* As I say, I found that there is a very real lack of such study in Canada.

I should like also to bring to the attention of the Senate a study which has been proposed by Mr. Earl Carlyle Smith of York University. He is hoping that he may get a grant for this study, which would be his doctorate study, from the Institute of Public Affairs. He wants to raise a number of questions about Crown corporations, and here I should like to give an outline to honourable senators of his approach to this subject.

First, he wants to look at Crown corporations as one aspect of general institutional changes in parliamentary government. Under this heading he wants to examine the reasons for the emergence and growth of Crown corporations and to look at the classification of Crown corporations. Then he is going to look

at the re-emergence of some traditional questions—the control by ministers and the element of flexibility which I discussed earlier and which I said the British have. Then he wants to look at the question of control by Parliament of Crown corporations. Furthermore, he wants to look at the relationship between Crown corporation directors, cabinet ministers and Members of Parliament. His question there is, who directs Crown Corporations? Further, he would like to study the background and the socio-economic status of Crown corporation directors and the attitudes of Crown corporation directors towards ministerial control, parliamentary control, political parties and their own positions.

He would also like to find out the attitudes of cabinet ministers towards the use of the corporate form and control of Crown corporations and to discuss with Members of Parliament their attitudes towards the use of the corporate form and the control of Crown corporations.

I think this is very pertinent, particularly in the light of the bill we discussed yesterday concerning control of a Crown corporation, the Company of Young Canadians, when we think of the actions of the Quebec arm of that organization, and also the discussions that took place concerning the Quebec division of the C.B.C.

Hon. Mr. Martin: This also refers to one of the bills which we have discussed this afternoon and on which Senator Kinley has spoken.

Hon. Mr. Thompson: There is another area of discussion relating to public corporations which he would like to look at. He would like to see how they are used in other countries, and the applicability of these innovations to the Canadian political scene.

I was interested in reading about Sweden. A Crown corporation can be established there in order to engender competition with private enterprise. They will establish a Crown corporation to sharpen up private enterprise.

Mr. Smith is also interested in a study of accountability and control. His study raises the question whether and how democratic prospects and possibilities work in a society when important decisions affecting individuals are made and carried out through public administrative bodies. That is basically his inquiry. I think this is the type of inquiry which the Senate could very appropriately study.

This is just one more area related to the question raised by the report which the Leader of the Government presented to this chamber. I think that report warrants our complete attention, and I thank the Leader of the Government for presenting it in this chamber.

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

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—SECOND READING

Hon. Donald Smith moved the second reading of Bill C-134, to amend the Coastal Fisheries Protection Act.

He said: Honourable senators, let me say at the outset that I do not intend to speak at length in moving second reading of this bill. I take this opportunity of reminding those honourable senators who are left in the chamber at this hour on Thursday afternoon that this is the third instalment of the fisheries legislation now before us for our consideration. It is my hope that all three bills will soon be referred to the appropriate committee of the Senate, which I believe is the Standing Senate Committee on Banking, Trade and Commerce.

I am given to understand that there is a little more urgency about the Saltfish Bill that received second reading this afternoon. I should like to make a brief reference to that particular subject, and I do so only for the purpose of bringing attention to the great contribution made to the debate by some of our newer senators, as well as some who have been here for a longer time. I refer particularly in the first instance to Senator Robichaud from New Brunswick. As honourable senators are aware, many years ago Senator Robichaud was an inspector of fisheries for the federal department. Later he became Director of Fisheries for the Province of New Brunswick. After being a backbencher in the Opposition during the Diefenbaker regime he became Minister of Fisheries in the other place and served his country well indeed.

Some Hon. Senators: Hear, hear.

Hon. Mr. Smith: I was impressed by the speech he made the other day, not only by his knowledge of the subject but by the reference he made to major factors that seriously affect fisheries, particularly his suggestions with regard to the question of subsidy or assistance for replacing worn-out wooden fishing vessels. It was appropriate for him to remind us all

and to place on the record of this chamber the numbers who are concerned in fisheries who will perhaps not during their lifetime have an opportunity to engage in the fishing industry on one of the very large steel trawlers which are still subsidized; and his particular area of Nova Scotia happens to be one of those. Lunenburg has gradually grown up economically in the fishing industry, and their fish landings, as in the case of Halifax, are for the most part brought in by these larger steel draggers. Of course, we can anticipate many more helpful speeches from Senator Robichaud.

I also wish to make a brief reference to our colleague Senator Kinley, who has engaged in the debate on several of these bills already. He deserves great credit for the energy with which he attacks these subjects and for expressing in rather strong terms his views on these matters. I am sure the Whip on this side has no hesitation in endorsing what I say, when I assert that we can always depend on Senator Kinley being in the chamber late on Thursday afternoons, just as we can depend on his attendance at committee meetings.

I am very proud of the second octogenarian senator from Nova Scotia, as well as of others, but I particularly want to refer to Senator Isnor who has had problems of health, mostly with his eyes, but who is now back in full swing. I do not suppose there is a more interested member or one who attends sittings of the Senate more regularly and more religiously than does Senator Isnor, and I know that he is one of the most valuable and attentive members of the Committee on Banking, Trade and Commerce. I am very proud of these Nova Scotians, as I am sure we all are.

Hon. Senators: Hear, hear.

Hon. Mr. Smith: Now I want to state very simply that the purpose of this bill, which is intituled an Act to Amend the Coastal Fisheries Protection Act, is to provide for the power to regulate and control the entrance into Canadian ports of foreign vessels which service and supply fishing vessels of other nations. That purpose is to be accomplished by an amendment to the present definition of "fishing vessel", which enlarges it to include these service and supply vessels.

Canada now has legislative discretionary powers under the Coastal Fisheries Protection Act to control the entrance of foreign fishing vessels into our ports. On the east coast of Canada foreign fishing vessels are permitted, by regulations enacted under section 4 of the act, to enter our ports for the purchase of supplies and for servicing. I have been informed that it is not intended to change the present situation on the east coast of Canada.

The practice of admitting foreign fishing vessels to the port of St. John's, Newfoundland, is one that goes back to pre-Confederation days, and was legalized by the enactment of regulations under the act at the time of union. Subsequently, this permission was extended to ports in Nova Scotia.

The use made by foreign fishing vessels of east coast ports for supply purposes is quite extensive. During 1968, for example, 309 entered St. John's and 241 entered Halifax, making a total of 550 foreign fishing vessels. I might add that these numbers do not include U.S. fishing vessels.

I have here a table prepared by the Department of Fisheries which is a breakdown of the number of entries with respect to each of the 16 countries involved. It might be useful to have it appear in the record, so, with your permission, perhaps it could be inserted at this point in my remarks.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Number of Foreign Fishing Vessels (Excluding U.S. Fishing Vessels) which Entered the Two Main Ports of St. John's (Nfld.) and Halifax (N.S.) During 1968

	St. John's	Halifax
Spain	106	72
Portugal	64	—
France	32	1
United Kingdom	17	—
Norway	7	4
West Germany	8	8
Denmark (Faroe Islands)	16	4
Japan	—	2
Venezuela	2	—
Russia	26	63
Poland	23	67
East Germany	8	15
Estonia	—	1
Rumania	—	2
Latvia	—	1
Cuba	—	1
Total	309	241

Hon. Mr. Smith: The figures indicate that each year world fishing catches reach a new high. I came across some material in a newspaper the other day when I was thinking

about this subject, which indicated that in 1968 the world catch amounted to an estimated total of 64 million metric tons. It is interesting to note that Peru took first place among all the nations of the world that fish, with a total catch of 10.5 million tons. Canada was way down the list of important fishing countries; in fact, it took eleventh place, with 1.5 million tons. I thought it would be interesting to put that information on the record to indicate the great prospects there are for increasing our own catch, even though we may have to pay more attention in the future to international regulations with regard to the seasons and the areas which may be fished, and work out agreements, just as we have usefully done in certain areas.

For many years the international salmon fishery on the west coast has been successfully controlled. Those who have been here longer than some others will recall the active part one of our late colleagues played in the International Salmon Commission, in the person of the late Senator Reid from British Columbia. The large and valuable halibut fishery on the west coast is fairly well controlled by international regulations arrived at a few years ago. Preliminary steps are being taken on the east coast also, but they are first steps and we have a long way to go.

Some of us are quite concerned that one country, and apparently only one, is holding out on a similar form of international agreement with regard to the Atlantic salmon catch off the coast of Greenland. A serious problem is developing. It has been found by scientists that salmon that have been taken in very large tonnages off the coast of Greenland in recent years are the product of the rivers of the east coast of Canada. I think reason will eventually prevail and that this very rich resource will be protected in the future.

Those of us who live on the coast, and particularly those who have had an opportunity to get to sea or fly over some parts of the coast, are well aware of the rapid growth in each of the post-war years of the fishing by foreign vessels on the Continental Shelf of the western Atlantic.

If circumstances were different, I am sure we would be well advised to take a second look at this permissive practice with respect to the use of our east coast ports by foreign fishing vessels, having in mind the priority of attention which should be given to the fishing industry rather than to the volume of trade which has been accruing to the merchants in the two main cities involved and some other smaller ports, with one of which I am sure the honourable Senator Macdonald is familiar.

Hon. Mr. Martin: Would that be Saint John, New Brunswick?

Hon. Mr. Smith: He will tell you.

However, in three respects circumstances are quite different from those which exist on the west coast.

In the first place, some of the richest fish resources are located far beyond Canada's territorial waters and the zones of exclusive fishing jurisdiction. On the west coast, however, because the Continental Shelf is much more limited in extent, the resources of fish are very much closer to Canadian jurisdiction and, therefore, they present more difficult problems for Canadians. In the second place, if you take a look at a map of Canada you will realize just how close the French colonial islands of St. Pierre and Miquelon are to the coast of Newfoundland. No such circumstances exist on the west coast of Canada.

If Canada were to rescind the present regulations, thereby denying access by foreign fishing vessels to east coast ports, the first result would be a rapid deterioration in the friendly international relations which have existed for many years with such countries as Spain and Portugal which, as will be seen from the table I have placed on *Hansard,* are the greatest users of our ports. Those who have visited the fishing areas of Spain and Portugal know that the fishermen there are relatively poor, and of course, they will suffer by being deprived of an economic source of supplies. But, it would be a temporary setback only if they were to be cut off. I have no doubt that France would immediately take advantage of such an opportunity to develop supply and service ports in her colonial islands of St. Pierre and Miquelon. From that point on, the foreign competition for fish would intensify and our east coast ports would lose an important trading business as well.

Honourable senators, I sometimes wonder whether Canada's sovereignty, defence, and economic health would not be better served by our attempting to acquire ownership of those French colonial islands, rather than by looking hopefully for the financial resources to buy back foreign ownership of resources and industries in other parts of the country. Indeed, we may be missing an opportunity such as was presented to the United States

with respect to the Louisiana Purchase many years ago, or, indeed, the purchase of Alaska which with its panhandle blocks a short access to the Pacific from northern Canada.

The third difference in circumstances between the east and west coasts of Canada is in the fact that there are no historical rights of fishing near the west coast such as exist on the east coast.

All of these different circumstances have caused the Government to come to the conclusion that not only must foreign fishing vessels continue to be excluded from west coast ports, but that in future the power must be obtained to control the use of British Columbia ports by foreign supply and service vessels as well. This does not mean that in any or every case foreign supply vessels will be denied entry. Indeed, it is my information that the entry of Russian vessels into west coast ports has been accompanied by very fine co-operation in participating in conservation measures. The proposed amendment in this bill simply places additional bargaining strength in the hands of the Government in its future international negotiations. This is the policy that has been recommended by the fishing industry of British Columbia, and by the Fisheries Council of Canada.

I commend this bill to the favourable consideration of my honourable colleagues in this house. In closing I say that if the bill receives second reading I shall be very pleased to move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce for consideration.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

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

DOMINION COAL BOARD DISSOLUTION BILL

SECOND READING

Hon. Paul Martin moved the second reading of Bill C-161, to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

He said: Honourable senators will recall that I moved the second reading of this bill under the designation of Bill S-3 on October 30, 1969, at which time I gave an extended explanation of the reasons for the decision of the Government to dissolve the Dominion Coal Board and to repeal certain pieces of legislation. The right of this chamber to introduce such a bill was contested in the other place, and as a result of a ruling of the Speaker of the other place the bill that was passed by this house was not dealt with there.

Clause 3(2) of the bill reads:

> The provisions made by any Appropriation Act to defray the expenses of the board shall be applied to such classifications of the public service within the Department of Energy, Mines and Resources as the Governor in Council may determine.

For the record, I should like to say that I do not agree, as was argued and held in the other place, that this is a matter which involves the disposition of public moneys, because this is a different appropriation from that already made by Parliament. I do not agree that such a measure in consequence had to be preceded by resolution, and introduced first in the other place. I say, I do not share this opinion. This bill does not increase an appropriation. It does not make any appropriation. It touches merely upon the disposition of money already appropriated.

Honourable senators, I do not intend to go through the reasons for this measure which I gave on another occasion. I would simply say that the details of this bill are identical to those of Bill S-3 which, as I indicated on March 10 when this bill was introduced, was dealt with by the Senate in 1969. However, it will perhaps serve a useful purpose, if I briefly review the objectives of the bill that is presently before us.

First, it does not mean that the coal industry, or our vast coal resources, are no longer important to the Canadian economy. On the contrary, the coal industry, particularly in western Canada, is rapidly becoming an industry of both national and international importance. It is the intention of the Government to devote more effort towards research and development, with the aim of promoting a sound coal company in Canada; one that is healthy and reliant, and that is not dependent upon federal aid.

It is also the intention of the Government to retain all of its expertise in coal, and towards this end the staff of the Dominion Coal Board will be utilized within the Department of Energy, Mines and Resources. That department will strive to ensure that the coal

resources of Canada are utilized to the maximum extent.

I have nothing further to add. This bill was not contested when it was first introduced. It brings to an end the provisions contained in Section 4 of the Dominion Coal Board Act and repeals the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act. I am in the hands of the Senate. If it wishes this bill to go to committee, I have no objection, but I do not think it should.

Hon. John M. Macdonald: Honourable senators, I have no intention of speaking at any length to this bill because, as did the honourable Leader of the Government, I spoke to it on October 30, 1969. There would be no purpose in repeating my remarks. However, if any honourable senators wish to review them, I refer them to the Senate *Hansard* of October 30, 1969. At that time I made some comparison of the type of assistance given to the coal mining industry to that given to the gold mining industry. I quoted the figure for assistance to the gold mining industry. At that time the latest returns for 1969 were not in. The total amount paid to the gold mining industry was not quite correct. I mentioned that for the period 1948 to March 31, 1969, the assistance given to the gold mining industry amounted to $260 million. The actual figures were $261,293,250.09.

I see no purpose in sending this bill to committee and would be quite prepared to have it passed.

Hon. Mr. Martin: Senator Macdonald's remarks on that occasion may be found at page 822 of the Senate *Hansard* for Thursday, October 30, 1969.

Motion agreed to and bill read second time.

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

Hon. Mr. Martin moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Hazen Argue moved the second reading of Bill C-183, to amend the Agricultural Products Co-operative Marketing Act.

He said: Honourable senators, I am pleased to have the privilege of introducing this bill at its second stage on behalf of my leader. The amendment has been described in the other place as a small but important amendment. It is an amendment which would give to the Wheat Producers Marketing Board of Ontario, if it desires, the opportunity to obtain certain guarantees from the federal Government for finance in the provision of money for financing the handling, storage and marketing of wheat in the Province of Ontario.

The general objective of the Agricultural Products Co-operative Marketing Act, which this bill would amend, is to promote the orderly marketing of agricultural products. Under the legislation, a group of producers wishing to market a product collectively may enter into an agreement with the Minister of Agriculture. These agreements provide for a guarantee of bank loans covering initial payments, processing, carrying and selling costs. Under the act the initial payments to producers must not exceed 80 per cent of the average price paid to producers according to grade and quality over the three-year period preceding the year of production. Equal returns must be paid to primary producers for agricultural products of like grade and quality. Final returns must be made to primary producers of the proceeds of the sale of the products after deducting processing, carrying and selling costs.

Many producer groups in different provinces have used or considered using this legislation from time to time. Since 1939 a variety of agricultural products have been marketed under the act. Chief among these have been forage crop seeds, potatoes, fox pelts, fresh apples, apples for processing, maple syrup, tobacco and beans. At the present time there are agreements under the provisions of the act with respect to the marketing of processed apples in Quebec and beans in Ontario.

The purpose of this amendment is to include wheat other than that grown in the designated area under the Canadian Wheat Board Act. Wheat is excluded currently because at the time this act became law all wheat was under the Canadian Wheat Board Act, which provides for initial payments, pooling, et cetera. Since World War II, however, Ontario has not been part of the designated area under the Canadian Wheat Board Act. It was withdrawn in the year 1947.

The Agricultural Products Co-operative Marketing Act, which this bill seeks to amend, was passed by Parliament in 1939. At

that time the Minister of Agriculture was the Right Honourable J. G. Gardiner, who was one of Canada's most outstanding ministers of agriculture. Much of the legislation that he presented to Parliament is still on the statutes. This act, some 31 years later, is being used to provide certain assistance to wheat growers in the Province of Ontario.

The Farm Products Marketing Act was passed in the Province of Ontario in 1960, under which an Ontario Wheat Board Marketing Agency was established. I wish to pay tribute to the Province of Ontario for the initiative it took in this regard. In particular I pay tribute to Ontario for the kind of wheat board act it has had in operation in that province for the handling of wheat. I have read it and believe that it might be a model for marketing legislation, either provincially or federally, in the sense that it establishes a democratic arrangement whereby the producers themselves elect the board and in fact control the marketing of their own product. I think that should be a first choice for all parties, namely, that if producers are willing and able to undertake the responsibility of marketing their own product in a democratic fashion, Parliament or legislatures should then play the role of providing the legal framework in which such action can take place. I understand that the Ontario Wheat Marketing Board has requested this kind of amendment to our federal legislation so that a federal guarantee for moneys for financing of the Ontario board may be made available with perhaps lower interest rates and with a greater availability of money.

After having read the debates, I should report to honourable senators that there appears to be a very decided difference of opinion among the Ontario wheat producers as to whether or not they wish to use this kind of legislation, but apparently the board has asked the federal Government to have this kind of legislation adopted.

The federal Government, I think wisely, is taking initiative as a result of that request and this is of course only permissive legislation. After it becomes the law of the land, then the Ontario Wheat Producers Marketing Board may or may not wish to sign a contract with the federal Government, so that the benefits that would flow from this legislation may be available.

I have read that there is a good deal of reluctance among the members of the Ontario Wheat Producers Marketing Board to make themselves available for part of this federal plan, because there is fear that they may be subject to greater regulation than might be required. Therefore, they will make their own decision in their own good time. However, I think it is wise that this kind of legislation for guaranteed financing should be made available to the Ontario wheat producers since this financing is already available for the marketing of many other agricultural products.

The wheat marketing situation for Canada is extremely difficult, and while the Ontario wheat producers, in my judgment, have not experienced anything like the difficulty of the prairie wheat producers, nevertheless, the world wheat situation has had an effect on the marketing of Ontario wheat and therefore there has been a demand for this kind of legislation.

I thought it might be of interest to honourable senators to have on the record a table from the department showing the production prices and sales of Ontario wheat over the past number of years. This was not in the record in the other place. I found it most useful, and if it is agreeable to honourable senators, it could be placed in our record at this point.

Hon. Senators: Agreed.

TABLE I

ONTARIO WINTER WHEAT, ACREAGE, YIELD, PRODUCTION AND FARM VALUE, SELECTED PERIODS

Crop Year	Seeded Acreage	Yield	Production	Average Farm Price	Value of Production
	'000 acres	bus./ac.	'000 bus.	$/bus.	$'000
1956–57	625	32.0	20,000	1.44	28,800
1957–58	590	33.2	19,588	1.30	25,464
1958–59	580	41.2	23,896	1.32	31,521
1959–60	425	29.3	12,464	1.59	19,818
1960–61	525	33.5	17,570	1.44	25,301
Average—1956–60	549	34.1[2]	18,704	1.40[2]	26,181[2]
1961–62	561	35.6	19,981	1.44	28,773
1962–63	450	35.1	15,795	1.70	26,852
1963–64	442	40.2	17,748	1.70	30,206
1964–65	455	40.1	18,246	1.68	30,653
1965–66	354	37.7	13,358	1.65	22,041
Average—1961–65	452	37.6[2]	17,026	1.63[2]	27,705[2]
1966–67	341	44.6	15,200	1.81	27,056
1967–68	400	38.7	15,480	1.80[1]	27,400[1]
1968–69[1]	355	42.0	14,910		
1969–70[1]	360	39.8	14,320		

[1]Estimated.
[2]Weighted Average.
SOURCE: Handbook of Agricultural Statistics, Part I, D.B.S.

Hon. Mr. Argue: The Ontario producers, as I have said, may wish to take advantage of this legislation. When they have made their decision the Government of Canada may enter into a contract with them, in which case the Ontario wheat producers must provide a cooling system. They will not be able to pay anything more than an initial payment of 80 per cent of the expected price for their product and undertake certain other arrangements. I repeat what I have already said. I think the Ontario Wheat Producers Marketing Board is doing an excellent job. I am certain that they will continue to perform this kind of a service in the future and if they, in their judgment, find that this legislation will help we shall all be pleased that this kind of guarantee will be made available to them so that they can continue to carry on their very useful work.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: Thank you, on behalf of the Government and the Ontario farmers.

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

AGRICULTURE

FEDERAL-PROVINCIAL SHARED COST PROGRAMS RE USE OF LANDS 1968 TO 1970—INQUIRY ANSWERED

Leave having been given to revert to Inquiries:

Hon. Hazen Argue inquired of the Government, pursuant to notice:

1. Has any land been cleared of forest, broken or seeded to forage crops in any of the provinces under programs where part of the cost is borne by the federal Government, (a) in 1968, and (b) in 1969?

2. If so, what was the acreage involved in each program in each province, (a) in 1968, and (b) in 1969?

3. Are any such programs being considered for 1970?

4. If so, to what extent and where?

5. Hs the federal Government, in light of the current agricultural surpluses, decided against entering into new programs to increase the number of acres used in agricultural production?

Hon. A. Hamilton McDonald: The answer to the honourable senator's inquiry is as follows:

1. Yes.

2. (a) In 1968

Alberta	14,575 acres
Saskatchewan	80,840 "
Manitoba	29,450 "

(b) In 1969,

Alberta	20,975 "
Saskatchewan	79,900 "
Manitoba	21,800 "

3. Yes.

4. Mostly on Indian reserves, involving about 40,000 acres, and some continuing ARDA programs with emphasis on forage for livestock production.

5. The main aim at present is to reduce the total number of acres in use, but it is desired to increase livestock production and there are some situations—notably within an existing community pasture or on an Indian reserve—where the clearing of more land is more economic than changing the use of other land. The acreages involved are extremely small in relation to total farm land on the Prairies.

Hon. Mr. Martin: This is an acknowledgment of the speech just made.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Gérald Fauteux, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give Royal Assent to the following bills:

An Act to amend the Quebec Savings Banks Act.

[Hon. Mr. Argue.]

An Act to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments.

An Act to amend the Foreign Insurance Companies Act.

An Act to amend the Trust Companies Act.

An Act to amend the Loan Companies Act.

An Act to incorporate Pitts Insurance Company.

An Act to incorporate Pitts Life Insurance Company.

An Act to prevent the introduction into Canada of infectious or contagious diseases.

An Act respecting McOuat Investments Limited.

An Act respecting Buccaneer Industries Ltd.

An Act to incorporate ICG Transmission Limited.

An Act to amend the Small Businesses Loans Act.

An Act to amend the Railway Act.

An Act to amend the Canada Student Loans Act.

An Act to implement a Supplementary Income Tax Agreement between Canada and Sweden.

An Act to amend the Company of Young Canadians Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

THE SENATE

ATTENDANCE IN CHAMBER

Hon. John J. Connolly: Honourable senators, before the adjournment of the Senate is moved, I think that members should take note of one fact. There are 35 senators present

here. That is more than 35 per cent of the membership of this house.

Including the representative of the Prime Minister and the Honourable the Speaker of the other place, there were 13 members of that house in attendance here for Royal Assent.

People talk a good deal about the scarcity of senators in attendance at some of the sittings of the Senate. For that reason, I think due note should be taken of the attendance here this evening.

The Senate adjourned until Tuesday next, March 17, at 8 p.m.

THE SENATE

Tuesday, March 17, 1970

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

Prayers.

ST. PATRICK'S DAY

TRIBUTE TO IRELAND AND THE IRISH PEOPLE

Hon. Joseph A. Sullivan: Honourable senators, on a question of privilege I beg the indulgence of the house for a few moments. A rather monumental event occurred about two weeks ago, with an eclipse of the sun which foretold an event that would be occurring today, the greatest day in the history of civilization, March 17, 1970.

Hon. Senators: Hear, hear.

Hon. Mr. Sullivan: Honourable senators, I am going to take you on a trip to Ireland. There is no language barrier, and asking for directions is like a letter of introduction. It is the friendliest country in the world and the weather in summer is refreshing. The people are delightful and every nook and corner is as pretty as a park. You tour other countries; you vacation in Ireland.

Start at Shannon and drive to Killarney in the Kingdom of Kerry where they never answer your question, but ask you another—just like politics. Kerry, where the mountains dance at dawn, laugh, weep and weave their spells. Kerry, where they have so much land they "put it in hapes."

"Killarney," said Austin, "has all the world over no superior." Queen Victoria called it "fairy-land." Wordsworth wrote: "In point of scenery this is the finest portion of the British Isles." Added Lord Macaulay: "The gem of Killarney, not a reflex of heaven, but a bit of heaven itself."

In planning your journey be sure to drive the Ring of Kerry, through Kenmare; lunch at Waterville; visit Cahirciveen, the home of Daniel O'Connell; see Dingle Bay and Castlemaine. On such a trip, wrote H. V. Morton, "all round us the enchanted hills of Kerry, as the evening turns them purple."

Killarney is the ideal place for strolling, hiking, golfing, boating, sightseeing by jaunting car, or just plain resting. Muckross Abbey (1348 AD) is there awaiting you. So is Ross Castle, where Tennyson wrote "The splendor falls on castle walls..."

"The myrtle in Kerry loves the soil," wrote Macaulay. "The turf is of a livelier hue than elsewhere. The hills glow with a richer purple... I never in my life saw anything more beautiful."

Drive on to Cork City via Glengariff, Bantry Bay, Skibbereen, Bandon and Kinsale. The sights are as pretty as they are interesting. "You can see God in every turn of the road," say the Cork people. And so you can, for He is nearer than the door. The City of Cork was founded by St. Finbar, in the eighth century. It is rich in people, all of them extroverts. Their wit is sly but their hearts are warm. If you ask a farmer in Macroom how come there were no Jesuits in Cork, he will reply: "We attribute that to the power of prayer."

Then there is the Blarney Stone. Drive to Cobh, then north to kiss the Blarney Stone. Cliodhna, queen of the fairies, gave it to Cormac: "Kiss it and you'll never want for words".

Cork's Bells of Shandon were immortalized by Father Prout: "With deep affection and recollection I often think of "those Shandon bells. .. On this I ponder where'er I wander and thus grow fonder, sweet Cork, of thee..."

From Cork City drive to Youghal, where Sir Walter Raleigh was mayor in 1588. Stephen Rynne described it as "perhaps the most fascinating town in Ireland, with its old quarter and its modern and fashionable seaside addition." Go on to Coppoquin and the famous Cistercian Abbey, Mount Mellary. From there drive on to Waterford and the cut-glass factory, and then on to Tramore and Dungarvan, which Rynne describes as "one of the finest coast drives in Ireland for colour and cliff scenery."

From there go to Clonmel and on to Cashel, in Tipperary. Cashel has the finest monastic ruins in Ireland. From Tipperary go to Wexford, birthplace of Commodore Barry, father of the American navy. Drive north through Enniscorthy, Gorey, Arklow, and Wicklow. Be sure to see Glendalough, the glen of the two lakes, with its seven monastic ruins, where Irish youth were trained as missionaries to the continent in the eighth and ninth centuries. Nearby is the Vale of Avoca, so dear to Thomas Moore: "There is not, in the wide world, a valley so sweet as that vale in whose bosom the bright waters meet".

Glendalough is in County Wicklow, the garden of Ireland. From there it is only a short drive to Dublin, which Morton described as "an aristocrat among cities, with an easy manner and a fine air of unstudied elegance."

Dublin, the thousand-year-old capital, is rich in associations: from Brian Boru in the eleventh century, and from Strongbow the Crusader to Dean Swift; from the Duke of Wellington, who was born there, to George Bernard Shaw, who was born outside; from Curran, Grattan and Edmund Burke to Tim Healy and Father Tom Burke; from Oliver Goldsmith to Barry Fitzgerald; from Sean O'Casey and James Joyce to Matt Talbot and Padraic Pearse; from Wolfe Tone to Douglas Hyde; from Synge and Yeats to James Stephens and Maud Gonne McBride; from Robert Emmet to Kevin Barry; from Daniel O'Connell to John McCormack; from Maureen O'Hara and Margaret O'Brien to Sibyl Connolly and Siobhan McKenna; from Lady Gregory to Victor Herbert; from John Mitchell and "Meagher of the Sword" to John Redmond and Michael Davitt; from the Normans, the Danes, and Dublin Castle to Michael Collins; from Guiness's and the Abbey Theatre to Irish Airlines: from Blessed Oliver Plunkett and the penal days to Frank Duff and the Legion of Mary.

"Dublin", wrote Lynn Doyle, "is easy to live in. If there is a pleasanter place in the world post me a ticket. If you would learn how jolly a holiday can be, go across for Horse Show Week in July and go to the dances every night, with their lights, laughter, mischief and gaiety."

Be sure to visit Galway Bay. It is very pretty in the daytime, but prettier still when the sun is sinking in the west, filling it with brilliant golds, then glowing embers and interminable Irish twilight. Be sure to see the Cliffs of Moher in County Clare. Do not forget Mayo, which furnished America's first Cardinal, the Father of the Argentine Navy, and a mayor of New York. "Mayo people get places," wrote Rynne, "and they go far toward making the world go round"—witness the Mayo Clinic.

The scenery in Donegal is breathtaking. Bring your golf clubs to Bundoran, if you play golf, where the air is so salubrious that no one ever dies except doctors—and they die of poverty, my legal friends. Byrne summed it up when he wrote:

> We are a poor country as to money, but we have purple heather and mountains golden with gorse, and rivers, great-bosomed and friendly, where men may dream.

They are good people in Ireland, and none have been stauncher to their ancient faith. But be careful—they will steal your heart away.

O THE SHAMROCK!

Through Erin's Isle,
To Sport awhile,
As Love and Valor wander'd,
With Wit, the sprite,
Whose quiver bright
A thousand arrows squander'd;
Where'er they pass,
A tripple grass
Shoots up, with dew-drops streaming,
As softly green
As emerald seen
Through purest crystal gleaming.
O the Shamrock, the green, immortal Shamrock!
Chosen leaf
Of Bard and Chief,
Old Erin's native Shamrock!

So firmly fond
May last the bond
They wove that morn together,
And ne'er may fall
One drop of gall
On Wit's Celestial feather!
May Love, as Twine
His flowers divine,
Of thorny falsehood weed'em.
May Valor ne'er
His standard rear
Against the cause of Freedom!
O the Shamrock, the green, immortal Shamrock!
Chosen leaf
Of Bard and Chief,
Old Erin's Native Shamrock!

And the Top of the Evenin' to ye and ye'rs. Thank you.

The Hon. the Speaker: Honourable senators, I am sure I express the feeling of all honourable senators in saying that the question of privilege raised by the honourable Senator Sullivan was well founded.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Order in Council P.C. 1970-372, dated March 3, 1970, amending Part II of the Schedule to the Hazardous Prod-

ucts Act, pursuant to section 8(3) of the said Act, chapter 42, Statutes of Canada, 1968-69.

Report of Polymer Corporation Limited, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1969, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952.

Report of the Anti-dumping Tribunal for the year ended December 31, 1969, pursuant to section 32 of the Anti-dumping Act, chapter 10, Statutes of Canada, 1968-69.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move, seconded by Hon. Mr. Smith, with leave of the Senate and notwithstanding the provisions of Rule 45 (1) (g), that when the Senate adjourns today it do stand adjourned until Thursday next, March 19, at 2 o'clock in the afternoon.

Honourable senators, perhaps a word of explanation would be appropriate at this time. You will recall that on Thursday last I advised the members of the Senate of the possibility that this chamber would not be sitting on Wednesday. The reason is that the Standing Senate Committee on Banking, Trade and Commerce is meeting tomorrow, and it is my understanding that their work will in all probability last until late noon. The Standing Senate Committee on Legal and Constitutional Affairs must meet tomorrow. Many honourable senators are members of both committees, and they have requested that the two committees should not sit at the same time. Therefore, the Standing Senate Committee on Banking, Trade and Commerce will meet tomorrow morning and sit until late noon, and the Standing Senate Committee on Legal and Constitutional Affairs will sit in the afternoon. The Standing Committee on Internal Economy and Contingent Accounts must meet before the Easter recess. It too will meet tomorrow afternoon. It is my understanding that the Special Committee on Mass Media will meet twice tomorrow.

Hon. Mr. Grosart: Would the honourable senator permit a question? Would he inform the house when it was possible to complete the obviously vast research necessary to reach the decision that the Senate will not be sitting tomorrow?

[Hon. Mr. Martin.]

Hon. Mr. McDonald: My honourable friend will realize that on Thursday last the information was given to him and others that in all probability this house would not be sitting tomorrow. So, if my friend has a complaint about the time, he is a few days out of step.

Hon. Mr. Grosart: Perhaps in explanation of my comment I should say that I am making no complaint.

Some Hon. Senators: Order.

Hon. Mr. Grosart: I believe that under the rules I am entitled to speak to my former remarks, because they have obviously been misinterpreted. I was not making a complaint. The mover of the motion (Hon. Mr. McDonald) spoke of the probability that he indicated last Thursday. I was only asking when it was possible to translate the probability into a motion.

Hon. Mr. McDonald: From Thursday until Tuesday.

Hon. Mr. Davey: On a point of privilege and for the information of honourable senators, the Special Committee of the Senate on Mass Media is sitting only once tomorrow, at 10 o'clock.

Hon. Mr. McDonald: You have changed your schedule.

Motion agreed to.

DOMINION COAL BOARD DISSOLUTION BILL

THIRD READING

Hon. Paul Martin moved the third reading of Bill C-161, to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

Motion agreed to and bill read third time and passed.

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, March 12, the adjourned debate on the motion of Hon. Mr. Martin that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in

virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

Hon. Hazen Argue: Honourable senators, it is difficult for a layman to take part in this kind of a debate where a legal training would be of very great advantage. However, I do hope that in my contribution I may be able to bring a point worth considering before honourable senators.

Although a committee of the House of Commons in 1969 recommended a Commons committee on Statutory Instruments, the motion before the Senate seems to be the Government's response to the important recommendations of that committee. The honourable leader (Hon. Mr. Martin) was careful to point out that he was not making that assertion. However, it would seem to be quite logical that his action should flow from the recommendation of the House of Commons committee. The Senate will be undertaking the very important work of this committee.

The Government Leader presented this motion to the Senate in a very eloquent manner, and I think once again he has demonstrated, in his capacity as Leader of the Government in the Senate, that he is determined to give the kind of leadership that will result in important activity being undertaken at all times by this chamber. With this kind of leadership the Senate will make a valuable contribution and will be an enduring part of the Canadian Parliament.

The leader, in making his presentation, spoke as follows:

> The report in question begins by asserting that as a general rule there should be public knowledge of the processes of delegated legislation before, during, and after the making of regulations, and that any derogation by Government from this rule requires justification.

He went on to say that it was proposed that the Government should consult fully with the public and with parliamentary standing committees before making regulations.

Senator Lazarus Phillips made what we all recognize as an outstanding contribution in this debate. He covered the ground so well that I am sure he made it difficult for many of us to follow him. It is even more difficult under these circumstances to feel that one may be making a worthwhile contribution.

I have gone over the evidence of the House of Commons Committee. I think the whole question of a committee of Parliament looking at the law as it is initiated outside the statutes is most important. If Canadian citizens are to be protected from high-handed bureaucratic orders and regulations, some kind of a review procedure is necessary.

There is a review procedure in the United Kingdom. There is a review procedure in Australia.

Evidence was presented before the Committee of the Commons to show that at least two provinces in Canada have taken important steps in this very field. I refer to the Province of Manitoba and the Province of Saskatchewan.

While some honourable senators, in reading the evidence which was placed before the Commons committee, were impressed by certain parts of that evidence, I was particularly impressed with that given by G. S. Rutherford, Q.C., outlining the Manitoba experience, and C. B. Koester, Clerk of the Legislative Assembly of Saskatchewan, outlining the experience in the Province of Saskatchewan.

The statutory review committee of the Manitoba legislature has been in operation since, I believe, 1960. Of all the presentations which were placed before the Commons committee, I think the presentation by Mr. Rutherford sums up, in a very short and lucid fashion, the principles which were used to test the justification and the validity of regulations. I would quote, if I may, from page 106 of the evidence before the Commons Committee on Statutory Instruments, May 15, 1969. I read from Mr. Rutherford's remarks as to recommendations approved by the Legislature, as follows:

> —The Standing Committee on Statutory Regulations and Orders should, in examining regulations and orders submitted to it, be governed by the following principles:—

In other words, these are the principles that are used to test the justification of the various regulations that may be placed before the committee. They are:

> (a) The regulations should not contain substantive legislation that should be enacted by the Legislature, but should be confined to administrative matters.
>
> (b) The regulations should be in strict accord with the statute conferring the power, and, unless so authorized by the statute, should not have any retroactive effect.

(c) The regulations should not exclude the jurisdiction of the courts.

(d) The regulations should not impose a fine, imprisonment, or other penalty or shift the onus of proof of innocence onto a person accused on an offence.

(e) A regulation in respect of personal liberties should be strictly confined to things authorized by statute.

(f) The regulations should not impose anything in the way of a tax (as distinct from the fixing of the amount of a licence fee or the like).

(g) The regulations should not make any unusual or unexpected use of the delegated power.

(h) The regulations should be precise and unambiguous in all parts.

Now, the committee of the Commons has rendered a service by setting forth its definition of the word "regulation" so as to show it to mean much more than a Governor in Council order. The definition of the committee of the Commons as stated on page 1427 of its *Votes and Proceedings* for October 22, 1969, is as follows:

> Your committee believes it would be helpful to use the following description: a regulation is a rule of conduct, enacted by a regulation-making authority pursuant to an Act of Parliament, which has the force of law for an undetermined number of persons; it does not matter if this rule of conduct is called an order, a decree, an ordinance, a rule, or a regulation.

I take it from that very broad interpretation of the word "regulation" that the Senate committee which will be established will have a very broad authority to look at the various regulations, whether they be Orders in Council, administrative directives or orders of boards operating under a statute of Parliament.

This committee will have a very broad and a very important authority, and I think the Senate of Canada will perform this new duty in a competent, efficient and effective manner. I have no doubt that the country has suffered and there have been injustices done because there has not been over the years this kind of body to consider the importance and the effects of these regulations.

I wish to bring to the attention of honourable senators a particular regulation or rule which I submit flies in the face of the various principles laid down by the committee of the House of Commons, principles followed by other committees dealing with this very question. I cite as a regulation that offends against those principles the newly announced policy to cut back wheat acreage on the prairies. I think it is important, if we are to consider the setting-up of this committee, that we should consider a resolution which in my opinion is opposed to the principles that have been set up. From a careful study of the evidence taken by the Commons special committee, and in the light of the principles used to examine the validity and propriety of regulations made by regulation-making authorities in the United Kingdom, Australia and the provinces of Manitoba and Saskatchewan, where sophisticated procedures for such examination are in effect, and on the basis of established principles of law, I personally question the validity and propriety of the action about to be taken to establish a whole new basis for wheat deliveries on the prairies, designed to reduce acreage planted to wheat.

This new regulation, I suggest, should be examined forthwith, on the passage of this motion, by the Standing Senate Committee on Legal and Constitutional Affairs, to determine whether it is, as I think it to be, a classic example of the kind of regulation that clearly ought not to be made, and whether this regulation is improper, and is indeed illegal and *ultra vires* of the Canadian Wheat Board Act. The tests that the Senate committee would give this resolution, following the principles recommended by the House of Commons Committee on Statutory Instruments and following the principles of other bodies that I have referred to, I suggest should be somewhat as follows. Is the regulation to establish summerfallow as the quota basis for marketing wheat beyond the scope of the Canadian Wheat Board Act? I think a strong argument can be made that it is. The Commons committee said that one important criterion was whether or not these authorities are authorized by the terms of the enabling statute to make the regulations that they wish to make. The Canadian Wheat Board Act sets out the purposes in section 4 of the act as follows:

> The Board is incorporated with the object of marketing in an orderly manner in interprovincial and export trade grain grown in Canada and possesses the following powers—

And there follows a long list of powers.

Thus, the object of the Canadian Wheat Board Act is to establish a system to market

[Hon. Mr. Argue.]

grain, and neither in section 4 nor in section 18, the Permit Book section, is there any suggestion—nor is there any suggestion in section 20, which deals with powers—that the Wheat Board has the power to force wheat acreage reduction by penalizing the producers who do not reduce wheat acreage.

Obviously, if the new regulation is beyond the scope of the Canadian Wheat Board Act, it will fall to the ground on that basis, if for no other. I would expect to see this regulation challenged in the courts in the near future, and I would think that the Senate committee should inquire into whether or not a regulation passed by the Canadian Wheat Board should be used to do something which I suggest is clearly not set out in the original statute as being one of the purposes of the Canadian Wheat Board.

As another principle and another test based on these authorities, I would suggest the following. Does the regulation contain substantive provisions that should be a matter of legislation? Again, I would definitely think it does. The new regulation turns the Canadian Wheat Board Act upside down; it turns it in the wrong direction. In a large measure it turns it from a wheat marketing instrument into a coercive wheat reduction instrument—coercive because a farmer who does not summerfallow, who does not reduce wheat acreage, is denied a market for his wheat.

I suggest, therefore, that the regulation offends on the grounds that it does contain substantive provisions that should in fact be a matter of legislation. It is laid down as a principle by these authorities that a regulation should have no retroactive effect. Here, with this regulation, there is definitely a retroactive element. Twenty-five per cent of summerfallow acreage of 1969—a year ago—is part of the basis, and it is directed to marketing a balance of the 1969 wheat rather than current production. Therefore, the regulation offends on the ground that it is retroactive in effect.

Another principle is that the regulation should not impose a fine or other penalty. I suggest that here there is a substantial penalty. If you do not summerfallow, a loss of income is imposed. On a quota of eight bushels per acre, there is an income loss of about $10 an acre. This, I say, is a very severe penalty, and on this ground, the regulation offends. I suggest that the regulation as it is established is as if the Government said to a Member of Parliament or to a Member of the Cabinet, "We owe you last year's salary, but you can collect that salary only provided you are prepared to work this year without pay. If you do not work without pay, you will not collect last year's salary."

As another principle, the regulation should not make unusual or unexpected use of delegated powers. I would suggest that it offends on this ground as well. This is an unusual and unexpected use of delegated powers. The announcement constituted a bombshell, a shock, a complete alteration of the Canadian Wheat Board policy that had been followed throughout its 35-year history. I say that on the principle that there should be no unusual or unexpected use of delegated powers, this regulation also does in fact offend.

Rank and file producers—and I have talked to many—resent having this measure forced upon them by public announcement without prior consultation and without any chance to participate in the discussion. By the simple device of a ten-minute announcement, a farmer's freedom to operate his own farm is seriously infringed, and if he should deviate from this newly unveiled blueprint, he will be subject to an income loss of about $10 an acre. It is stated in the report of the Commons committee that there should be public discussion before important regulations are in fact proceeded with. I read from page 1461 of the report:

> —your Committee therefore recommends that, before making regulations, regulation-making authorities should engage in the widest feasible consultation, not only with the most directly affected persons, but also with the public at large where this would be relevant. Where a large body of new regulations is contemplated, the Government should consider submitting a White Paper—

That is what should have been done in this case. Personally, I am very pleased that the Government submitted a White Paper in the field of taxation. I am pleased that instead of going forward with major amendments that would have affected the Indian population of this country, a White Paper was produced and discussion is taking place. This should have been done in this instance.

Another principle enunciated in this report is that any regulation should not trespass unduly on personal rights and liberties. It seems to me that a Canadian in the ordinary course of conducting his business should not be subjected to an unexpected announcement of which he had no advance indication, and

which enunciates and proceeds to put into effect a law which greatly interferes with his normal action in the regular operation of his business. I do not think that any authority operating under a statute, whether it be the Canadian Wheat Board or any other body, should take drastic measures which interfere with the day to day operation of the business of many Canadians without some advance notice or public discussion, and without taking them into their confidence and giving them a chance to have a say. With no opportunity to make representations, 188,000 producers received in the mail a one-page document which outlines a drastic policy that will affect their farm business in the present year.

I say in all sincerity that this is the kind of coercive action that the Senate should consider an infringement of the basic rights of Canadian citizens. If we do that and if we take action to correct what we consider to be an injustice, we shall be doing a service to Parliament, to the Government, and to the country.

Now I want to make it clear, honourable senators, that I have no objection whatsoever to that part of the Government's policy which in effect says to producers, we are prepared to pay you $6 an acre if you reduce your wheat acreage by a certain amount and increase your summerfallow by a like amount. The farmer would be free to make his choice. During the last world war, the government of the day felt that there should be a reduction in the wheat acreage and they offered to the wheat producers of western Canada certain benefits. These were offered under war-time circumstances but without any coercion, without any penalty, without any arbitrary interference in the operation of the farm. Even at the height of the wartime crisis, the farmer in his own good judgment was able to decide to what extent he would reduce his wheat acreage.

I think that if, once again this policy had been followed, there would have been an important reduction in wheat acreage. Farmers would have accepted this policy in a pleasant and non-controversial atmosphere.

I hope that by bringing this particular question to the attention of the Senate I have not detracted from the general importance of this action that we are about to take. It would seem to me that in the years ahead the Senate of Canada, through the Standing Senate Committee on Legal and Constitutional Affairs considering statutory regulations, will assure this fairness and will make it possible for people to enter into discussion prior to their announcement, and when promulgated it will be done legally, within the rules. This has been the experience in Manitoba and Saskatchewan. Governments will heed a legislative committee which is undertaking to impose on the administration and on the boards that operate under statutes the kind of democratic principles I have outlined and which have been presented to the House of Commons and to Parliament by the Standing Committee of the House of Commons on Statutory Instruments.

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

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, March 12, the adjourned debate on the motion of Hon. Mr. Argue for the second reading of Bill C-183, to amend the Agricultural Products Co-operative Marketing Act.

Hon. John M. Macdonald: Honourable senators, with your permission I would yield to the honourable Senator Pearson.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Hon. Arthur M. Pearson: Honourable senators, we are dealing with Bill C-183, to amend the Agricultural Products Co-operative Marketing Act. It is a very small amendment, but one of considerable importance. This bill pertains to the sale of wheat on a co-operative basis in the Province of Ontario.

The Agricultural Products Co-operative Marketing Act was promulgated in 1939 by the Right Honourable J. G. Gardiner, the then Minister of Agriculture. At that time wheat was sold through the Canadian Wheat Board. However, since the Second World War the Province of Ontario, under this act, has dealt with wheat separately.

I might say that the act does not make it compulsory to belong to this co-operative. Under this marketing act, the board, through the Minister of Agriculture, may bar certain areas of the province from participating if it is felt that it would not be to that particular area's advantage to sell wheat through the Board.

The basic reason for the change proposed in Bill C-183 is to enable the Ontario Market-

ing Board to obtain a government guarantee for sufficient credit to make initial payments on the purchase of wheat from its members in Ontario. These initial payments may range up to 80 per cent of the market value of the class of wheat, based on the average market value of that class during the previous three years. However, there must be sufficient deducted from the initial payment to cover the cost of storing, marketing and other expenses which arise as a result of the sale of this wheat.

If the Ontario Wheat Marketing Board wishes to make a final payment to its members, it must first approach the Minister of Agriculture, and if he satisfies himself that there are sufficient funds in that account to pay expenses and still leave a surplus, then the board is at liberty to make a distribution.

Honourable senators, I am a little disturbed by this legislation which the minister says has been requested by the Ontario Wheat Marketing Board. This, in a sense, brings this board under the direction of the Canadian Wheat Board, because that is the agency through which the minister advances the credit; but in view of the fiasco that has arisen in western Canada through the so-called surplus of wheat, I cannot see why any other co-operative group would want to be connected with the present setup of our Wheat Board.

My only objection to the Wheat Board is that it has become too satisfied with the type of work it is doing. Too many statements are made by men in the top echelons of these boards and agencies without first making a thorough study of what the matter entails. For example, with regard to the so-called $140 million which is going to be pumped into western Canada's economy, I doubt that at the best it will exceed $50 million. There are far too many "ifs" and "ands" to the $6-acreage payment to be made for not growing wheat. I cannot consider it a good program, and I feel that many other farmers in western Canada think the same way.

I would like to quote from an article that appeared in the Regina *Leader-Post* of January 22. It states, in part:

> Canada's agricultural industry has not been market oriented in the past, Dr. Gordon MacEachern of Ottawa, president of the Agricultural Economics Research Council, said.
>
> "There has been little or no market development by the agricultural industry in Canada," Dr. MacEachern told delegates to the three-day convention in Hotel Saskatchewan.
>
> He said by marketing he did not mean simply pricing or sending a few people around the world "to see what was going on."
>
> There is a market potential for agricultural products not only in other countries, but right in Canada...
>
> "Where does all this talk of surpluses enter? Do we need only 150,000 farmers in Canada or is this a ritual dance we go through periodically?"
>
> He said there were three important questions for the agricultural industry to answer.
>
> First, what are the markets and market potentials for farm crops?
>
> Second, how willing and able are we to compete with other markets?
>
> Third, how well are other segments of the agricultural industry equipped to do their share?

Honourable senators, I feel that we are being bound by socialistic ideals, and I am afraid that our top men are gradually becoming socialistic in their ideas. They are not thinking straight. As a result, the problems of agriculture become bogged down more and more with these temporary palliatives which are being handed out. Instead, we should organize a proper selling organization based upon free enterprise, and go out and compete for markets. If other countries cannot come in with us on an orderly market, then we shall have to go it alone.

If the farmers of western Canada and Ontario do not start soon to do their own thinking with regard to marketing they will wake up some morning and find that they have been socialized.

Hon. Walter M. Aseltine: Honourable senators, I have been expecting an honourable senator from the Province of Ontario to rise in his place to take part in this debate, but so far we have not heard from any senator from that province. The bill was introduced by Senator Argue from Saskatchewan, and it has been spoken to by Senator Pearson, who is also from Saskatchewan. Surely, some free-enterprise senators from the Province of Ontario are interested in this measure, and know whether the Ontario wheat growers as a body are in favour of it. I did not intend to speak in this debate, but

as no senator from Ontario has risen I think I should say a few words.

As has been so well explained, the wheat growers of Ontario belong to a marketing board organized under the provisions of the Farm Products Marketing Act, an Ontario statute passed in 1960. The purpose of Bill C-183 is to amend a federal statute known as the Agricultural Products Co-operative Marketing Act, which has been in force since 1939, by including wheat other than wheat grown in the area that is defined as the designated area by the Canadian Wheat Board Act. If this amendment becomes law, then the provisions of the Agricultural Products Co-operative Marketing Act will apply to Ontario wheat so as to make it possible for the board to obtain Government guaranteed bank loans with which to pay the initial payments to its wheat producers on the wheat delivered to it.

The Ontario Wheat Producers Marketing Board has been getting along pretty well with its own financing up to the present time. I understand that it has sold the 1966 and 1967 wheat crops, but is having some difficulty in disposing of those of 1968 and 1969. Prices are down, and the 1969 crop is of a poorer quality and grade, and the board is having trouble selling it. It is finding difficulty in borrowing money with which to pay the initial advances to producers. By a vote the board will decide whether or not it wishes to borrow money guaranteed by the federal Government, and to enter into the required agreement.

From reading the report of the debate on this bill in the other place it appears that there is some opposition to acquiring such Government guaranteed bank loans, because the agreement to be entered into would give the Minister the power to regiment the whole wheat marketing setup. That is something of a very serious nature, because it takes away from the primary producer the right to sell his own product. That, in my opinion, would be socialism. It would mean giving the Government the full right to run and control such marketing. Some of the producers have expressed concern about the amount of power that the department and the minister will have under this proposed legislation. However, there is one redeeming feature. The terms of the agreement will be made known and a vote of the members will be taken before the agreement is signed.

Hon. Mr. McDonald: Hear, hear.

[Hon. Mr. Aseltine.]

Hon. Mr. Aseltine: If there should be too much Government interference after the scheme has been tested, and things do not work out to the satisfaction of the producers, the practice can be discontinued.

If I were an Ontario wheat grower and I could not sell my wheat, even though I had had some doubts and I did not want to give up any of my rights as a free producer, I would probably be willing to support the amendment and give the scheme a fair trial. However, there are some questions that I think should be answered before this bill is passed and becomes law. They are as follows:

1. How many primary wheat producers are there in Ontario?

2. How many primary producers are members of the Ontario Wheat Producers Marketing Board?

3. How are the members of the board elected or chosen?

4. What are their powers?

5. Do the primary producers have any say at all except through the members of the board whom they elect?

6. What storage facilities does the board possess?

7. Must a primary producer of wheat market it all through the board or does he have other selling rights?

8. Have any producers asked to be heard by a committee of the Senate, and should this bill be referred to a committee?

Questions 3 and 4 can be answered by reading the act itself, but up to this point I have not had the time to read it. However, I do think these questions should be answered. In view of the fact that there seems to be some doubt, in my opinion it would be advisable to have this bill studied by a committee, especially having regard to the fact that it was not studied by a committee of the other place, but in committee of the whole house. However, I would not so insist, because I understand there is some urgency in the passing of this bill, if no person has asked to be heard.

Hon. Hazen Argue: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform the Senate that if honourable Senator Argue speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Argue: Honourable senators, I rise to say that I think it is clear from the discussion in the other place that the passage of this

bill will merely enable the Ontario Wheat Board to avail itself, if it so wishes, of the provisions of the act. There is nothing compulsory in any way about this measure. It is merely a response by the Government of Canada to a request from the Ontario Wheat Board.

Due to the many questions that have been asked, this bill should, after second reading, be referred to the appropriate standing committee of the Senate where these questions can be asked and the answers provided.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Argue, bill referred to Standing Senate Committee on Banking, Trade and Commerce.

PRINCE EDWARD ISLAND

TERMS AND CONDITIONS OF AGREEMENT COVERING DEVELOPMENT PLAN

The Senate resumed from Thursday, March 12, the adjourned debate on the inquiry of Hon. Mr. Phillips (Prince) calling the attention of the Senate to the failure on the part of the Government of Canada and the Government of the Province of Prince Edward Island to ensure the carrying out of all the terms and conditions of the Agreement Covering Development Plan for Prince Edward Island, made 7th March, 1969, between the two Governments.

Hon. Paul Martin: Honourable senators, I promised Senator Phillips (Prince) that I would try to reply to his inquiry of Thursday last. As he stated, the federal Government and the Government of the Province of Prince Edward Island signed on March 7, 1969, an agreement for a 15-year development plan for that province.

In light of Senator Phillips' comments, I would like to review the administrative apparatus for the implementation of the plan, which I am sure he fully understands. However, I gathered from what he said that there might be some misunderstanding in that regard.

A Joint Advisory Board is charged with overall responsibility for the implementation and management of the plan. The board is composed of both federal and provincial appointees. The Minister of Regional Economic Expansion appointed the federal members and the government of Prince Edward Island appointed the provincial members. The experience to date would indicate that the board will probably meet three times a year, although meetings will be held more frequently if necessary.

Responsible to the Joint Advisory Board are the Joint Managers. The federally appointed Joint Manager is the Field Director of the Department of Regional Economic Expansion. The provincially appointed manager is Deputy Minister of Development for the Province of Prince Edward Island. The Joint Managers provide the secretariat for the board meetings. Tentative programs under the plan are submitted by the Joint Managers to the Joint Advisory Board. In the development of these programs the Joint Managers work very closely with the relevant provincial and federal departments and agencies. Already several joint federal-provincial working groups have been established to assist the Joint Managers in the development and implementation of their programs.

Programs submitted to the Joint Advisory Board are considered by that body in the light of the objectives, strategies and priorities of the Development Plan. If the board agrees to recommend the programs they are then submitted, as I am sure Senator Phillips (Prince) knows, to both federal and provincial Governments for approval. Since approval of a program would involve the expenditure of public funds, approval by the federal Government necessarily means the approval of the Treasury Board in the first instance. No sound administrative practice could provide for any other kind of arrangement.

Paragraph 4.3 of Schedule C to the Development Agreement, entitled "Public Participation and Involvement", provides for a feedback of public reaction to the provincial government and the management group.

This brief recital of the procedures in effect in the implementation of the plan is essential in order to put the argument of Senator Phillips (Prince) in proper perspective.

Hon. Mr. Phillips (Prince): I thought I had given all that the other day.

Hon. Mr. Martin: I wanted to put it in complete perspective, because the conclusion that Senator Phillips drew did not seem to harmonize on re-reading his speech with what he says was his understanding of the procedural arrangement, the way the moneys must be approved, and so on.

He has suggested that the procedures in effect are not those contemplated by the agreement, but he presents no evidence to support that view. He made a statement but,

having read his speech twice, I see no evidence whatsoever beyond the mere assertion to substantiate the statement.

Senator Phillips also raised some questions in connection with the Mill River Tourist Complex. Apparently, a press announcement was made by the provincial government indicating what facilities might be included in the Mill River Tourist Complex, but it was never stated that all proposed elements of the complex would necessarily be proceeded with. The only proposal that has been approved for the Mill River Tourist Complex is a golf course, and work is now in progress to bring it into operation. Further proposals will be studied by the minister in the light of the characteristics of the Mill River area in relation to the overall development potential of West Prince.

The federal Government and the Province of Prince Edward Island are interested in promoting tourism in West Prince.

Hon. Mr. Phillips (Prince): Before the honourable senator leaves the Mill River project, I do not wish to interrupt him at an inopportune time, but the leprechaun who prepared his speech today I hope advised him that at the very time that I was making my inquiry in this chamber the Minister of Tourism was advising the Prince Edward Island Legislature that the provincial government has not yet purchased the land on which the woodcutting had been carried out. Could the honourable senator comment on that before he leaves the Mill River project please?

Hon. Mr. Martin: I am not aware of that statement. If the senator says that that is the case, then it certainly will bear examination, but I have not been so advised.

Hon. Mr. Phillips (Prince): Your leprechaun has fallen down.

Hon. Mr. Martin: That is the assertion of Senator Phillips (Prince). I hope that his statement in that regard will be borne out by evidence, because so far in his statement—and I say this with great respect—he has not offered any evidence to substantiate the contentions he has made, except to offer these mere assertions. I have always been of the view that an argument by mere assertion is not necessarily an effective argument.

Hon. Mr. Phillips (Prince): You will be happy, I presume, with the transcript of the proceedings in the Prince Edward Island Legislature. I will be delighted to send you a copy.

[Hon. Mr. Martin.]

Hon. Mr. Martin: I will be very grateful to receive it.

The federal Government and the province are both interested in promoting tourism in West Prince and it was considered that Mill River was well situated as a site for a public golf course. It was therefore decided to go ahead with this project prior to the completion of overall plans for the development of tourist facilities in all of West Prince.

Senator Phillips (Prince) has commented on the economics of the clearing operation for the new golf course. It must be stressed that the operations during this winter were for clearing and not for the production of pulpwood and lumber as such. However, it proved possible to salvage a considerable part of the wood. I am sure that Senator Phillips (Prince) would not object to this. The operations provided much needed jobs for local people at a time when there is typically high seasonal unemployment.

The total cost of the clearing operations is estimated at $75,000, of which about $16,000 will be recovered from the sale of wood. The federal Government is therefore committed to share 75 per cent of the net cost—that is, 75 per cent of $59,000—for the clearing of the fairway.

Senator Phillips (Prince) correctly pointed out that the workers employed on the fairway clearing were not hired through the Canada Manpower Centre. However, this matter has been taken up by the joint Advisory Board, I am told, with the provincial government to ensure that Canada Manpower Centres will be used in the future where practicable, as stipulated in Article 10(a) of the agreement covering the Development Plan.

Senator Phillips (Prince) also commented on the cost of individual units in the Brudenell project. The cost figures he presented were somewhat inflated, since they include some $300,000 worth of services which will provide for many more units than are immediately contemplated, but will permit a rational long-term development.

I can see from the reaction on Senator Phillips' (Prince) face that I have fully convinced him of the position of the Government in this matter.

Hon. Mr. Phillips (Prince): If the Leader of the Government will join me at a meeting of the Standing Senate Committee on National Finance on this subject he will have fully convinced me.

MOTOR VEHICLE SAFETY BILL

SECOND READING

Hon. William J. Petten moved the second reading of Bill C-137, respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another.

He said: Honourable senators, the bill before us is one which affects us all. The automobile has developed from an odd-looking contraption that frightened horses and annoyed or amused the general public to the point where today it is a part of our lives. In the fast moving society of today, the automobile is a necessity and not a luxury. We all depend on this means of transportation, whether we use public transport or drive our own car. However, with all the benefits that have come to us on the credit side, there is also the debit side, hence the need for regulations for the safe operation and control of these most useful vehicles. We know that fire, which we could not do without, must be controlled, and regulations and fire prevention measures are an integral part of our lives. The automobile similarly must be controlled, and this bill will go a long way towards achieving this control.

The substance of the bill has been a subject of much important consideration by the Minister of Transport and by the responsible provincial ministers from each of the provinces. At a federal-provincial meeting in September last year it was unanimously agreed that the federal Government should assume responsibility for safety standards for new motor vehicles manufactured in Canada and for motor vehicles imported into Canada. At that time it was agreed that the provinces, under existing legislation, would undertake to ensure the safety of vehicles in use as well as the safety of replacement and additional parts of motor vehicles.

I would now like to explain the main objectives of this legislation and provide some brief explanation of the scope and nature of the more pertinent sections.

Of the two main provisions, the first relates to the establishment of mandatory safety standards for new motor vehicles to protect persons against injuries or death, and the impairment of health by exhaust emission and noise. National safety marks will be affixed to all new motor vehicles manufactured in Canada. Such vehicles must be manufactured in conformity with the prescribed standards. These same standards will also be applied to all new vehicles which are imported into Canada.

It might be interesting to note at this time that similar legislation outlining safety standards has been in effect in the United States since 1966, and that the initial Canadian safety standards will be in conformity with those of the United States.

The bill defines a motor vehicle as any vehicle designed to be driven or drawn on roads by any means other than muscular power. It does not include vehicles designed for running on rails.

The bill distinguishes between a manufacturer, a distributor and an importer as persons engaged in the business of manufacturing, distributing or importing respectively. Manufacturing includes the process of assembling.

The bill will give the Government of Canada the authority to prescribe safety standards to regulate the design, construction or functioning of motor vehicles and their components for the purpose of protecting persons against personal injury, impairment of health, or death. Twenty-nine standards have now been prepared, which can be adopted as the initial regulations under this legislation. These standards deal with the main safety features which would henceforth be incorporated in all new motor vehicles for sale in Canada. I understand it is hoped that the initial regulations can be published within the next two months and thereby become effective at the time production of 1971 model year vehicles commences.

Honourable senators, I think you will all agree that the definition of safety standards is most important. Section 2(1)(h) defines safety standards as follows:

> —standards regulating the design, construction or functioning of motor vehicles and their components for the purpose of protecting persons against personal injury, impairment of health or death.

Section 4 provides the Governor in Council with authority to prescribe regulations to reduce air pollution by limiting harmful exhaust emissions from all new motor vehicles. In recent years, measurements in North America have indicated that motor vehicles contribute more than one-half of the harmful carbon monoxide, oxides of nitrogen, and unburnt hydrocarbons contaminating the air we breathe, particularly in the large cities.

Evidence is now available that these pollutants contributed by motor vehicles can be very substantially reduced or entirely eliminated by realistic enforcible regulations. It is my understanding that the Department of Transport is now preparing a motor vehicle exhaust emission control standard for inclusion with the other 29 safety standards in the initial regulations.

The definition of safety standards in section 2(1)(h) of the bill also indicates that regulations can be issued on automobile bumpers to the extent that such regulations help alleviate or prevent personal injury or death to vehicle occupants or pedestrians. The bill will be the establishment of standards on bumper heights, on their energy absorbing characteristics and on the design of truck rear bumper under-ride guards.

It is my understanding that the Department of Transport now has such bumper standards under consideration. When such standards are published, as would appear likely within the next year or two, they would, in addition to protecting persons against injury and death, undoubtedly have a secondary effect of protecting the vehicle body against damage in minor collisions and thereby reducing automobile repair and maintenance costs.

I referred earlier to the provision for the establishing of national safety marks. Under the act, the use of the national safety mark will imply compliance by the motor vehicle and its components with the prescribed safety standards. Both the form of the mark and its location on the vehicle will also be prescribed, and, most important, misuse of the marks will be an offence.

The manufacturers and distributors are prohibited from selling or possessing vehicles which possess the national safety mark but which do not comply with all safety standards applicable at the time the vehicle was manufactured. They are also prohibited from sending or conveying from one province to another motor vehicles to which this mark has not been applied.

Motor vehicles which are imported into Canada will be required to prescribe to the safety standards. They will be required to comply, at the time of importation, with the prescribed safety standards applicable at the time the vehicle was manufactured. Hence, used vehicles, manufactured after the proclamation of this act could be imported, but only if they complied with the regulations. Thus any individual or company importing a new or used vehicle would have to produce evidence that the vehicle complied with the regulations applicable at the time it was manufactured.

For example, any person who visits Europe, or any other area outside Canada, and purchases a vehicle there after these safety standards come into effect will have to provide evidence that the vehicle meets the required Canadian standards if they wish to bring the vehicle back into Canada.

It should be pointed out that these safety standard regulations will not apply to vehicles being brought into Canada temporarily for the purposes of exhibition and demonstration nor to vehicles being used by tourists or visitors entering or passing through Canada.

Earlier I indicated that the bill contained two main provisions, and I have described in some detail the provision relating to motor vehicle safety standards. The second major provision of the legislation will require manufacturers to notify all vehicle owners, of whom they are aware, of any defects coming to their attention which are likely to affect the safe operation of a vehicle. Manufacturers must also advise their dealers and agents of the defect, the safety risk involved and the method of correcting it. This defect notification provision, which is based upon the federal Government's authority in the area of criminal law, provides the Government with powers by which it may regulate the safety of vehicle construction not covered by prescribed standards.

The act also provides for the Minister of Transport to forward full particulars contained in the notice of defect to the responsible provincial authorities.

Section 9 of Part 1 of the act requires that all regulations proposed by the Governor in Council be published in the *Canada Gazette*. It also requires, and I am quoting:

> —that a reasonable opportunity shall be afforded to manufacturers, distributors, importers or other interested persons to make representations to the minister with respect thereto.

As the documentation supporting each regulation is expected to be lengthy and of considerable detail, it is hoped that this provision will prevent any possible technical errors in the regulations and will also allow industry some time to insure that their products comply.

Honourable senators, the administration of this act provided for in the bill gives the Minister of Transport power to designate inspectors to enforce the safety regulations

which will come into existence. It gives them the powers of search, seizure and ultimately of forfeiture if there is a conviction under the act. Thus, the act provides the Government with power to enter places where motor vehicles and their components are manufactured or stored for the purpose of inspecting both vehicles and applicable records.

The fines as outlined in section 17, ranging up to a maximum of $200,000 for various violations, should be conducive to compliance. While this act gives the Government the necessary authority to regulate in an area so directly concerned with public safety, I am pleased to note that an annual report will be made to Parliament on this act. Tabling of this annual report may provide members of both houses with an opportunity to review the regulations and to suggest new regulations.

I believe that this is perhaps one of the most significant pieces of legislation to come before this chamber in the past few years. It would seem to me to be a positive step in the right direction in so far as automobile safety is concerned, and I endorse it wholeheartedly as I am sure all Canadians will.

Hon. Edgar Fournier: Honourable senators, I was hoping at this late hour to adjourn the debate, but I understand that the authorities want me to carry on and since I always try to please them, I will try to carry on.

Hon. Mr. Martin: The senator always does.

Hon. Mr. Fournier (Madawaska-Restigouche): I do not always feel like it, but I try to.

Hon. Mr. Martin: That is why I try to give quick answers to your questions.

Hon. Mr. Fournier (Madawaska-Restigouche): I would like to thank Senator Petten for explaining the bill to us. Indeed, he did a good job considering what he had to work with. He gave us a good explanation of the automobile standards, which I fully support because it is time we established safety standards that will protect all persons.

Before I talk about the bill itself, I would like to briefly review the history of the automobile. Our generation has witnessed the evolution of the automobile. We have seen the tremendous change its development has brought to the world. Usually when we talk about the early development of the motor car we think about the nineties, but actually the first power-driven motor car was invented in 1770 by Captain Nicholas Cugnot, an army engineer, who made a steam car for the purpose of transporting artillery ammunition. The car would travel at six miles per hour and could operate for 12 to 16 minutes. Then it was necessary to stop it and build up the steam pressure again.

In 1781 the same engineer built another car, a three-wheeler, of 2½ tons. It was too heavy in the front, out of balance, and it was demolished against a stone wall. It seems that we do these things today with our new and better balanced cars.

In 1863, after a lapse of about 70 years, Sylvester Ropes designed a steam car weighing 700 pounds, which could travel at 20 miles an hour. It had storage under the seat, holding enough coal for one day.

Then we go on to 1888, when Dr. John Dunlop invented the first tires. They were used on horse-drawn vehicles, and they were claimed to be a major improvement in riding comfort and safety.

In 1895 Dr. Curtas Booth of Youngstown, Ohio, built a car which was called a physician's carriage. It was his own design. It had a one-cylinder engine of three horsepower. It was a four stroke internal combustion engine and had a top speed of 16 miles an hour.

In 1893 we saw the first patrol wagon, the Black Maria, as we called them, built in Akron, Ohio. It was an electric car with two motors, operating on 52 batteries. This car lasted for nine years.

In 1903 we had what we call the famous Glidden Tours, when 33 cars started from New York City on a trip to White Mountain, New Hamphisre, the round trip totalling 871 miles. Of those, 28 cars finished in eight days. The winner was nobody else but Mr. Perry P. Pierce, maker of the famous Pierce Arrow, which was known in our younger days.

A New York newspaper had this to say:

> The trip did more to break down prejudice against motor cars than could be done by hundreds of speeches.

Also in 1903 there was the first transcontinental trip. Dr. Nelson Jackson and Sewall Crocker took part. It took 63 days, New York to San Fransisco, and during that time they had the assistance of horses only three times.

In 1910 we saw the first armoured car. It was built by the Bellemore Armored Car Company of New York City, and they claimed it gave full protection.

In 1916, there was a truck endurance run. A 1½ ton truck loaded with a ton of condensed

milk travelled from Seattle to Washington, D.C. in 31 days, proving that truck transportation was successful even under very difficult conditions.

In 1922 we saw the arrival of balloon tires, which soon became standard equipment.

In 1923 we had the first headlight dimmer switch. In 1928 the first cloverleaf interchanges appeared on our highways, being constructed on the New Jersey and Lincoln Highway. This was considered a great achievement.

In 1936 came the greatest event of all, never to be forgotten—parking meters. These came from Oklahoma City and were invented by Carl Mayer.

Honourable senators, we go back now to the early 1900s, the period of evolution in which we have lived. We have heard such names as Henry Ford and Thomas Edison. Ford was not an inventor, he was a businessman, while Edison was an inventor and more of an electrician. We also note that Ford died a very wealthy man while Edison died poor.

We know that Ford did not invent the first car, but was the first man to put cars in production and was also the first to pay $5 a day to his employees—which everybody thought would be the ruin of the country.

Ford was also credited with inventing the planetary transmission which is still in use today. It was the old transmission consisting of the three pedals which the driver used to push on the floor boards.

This method of transmission still operates today, but it is a different system. It has become an automatic transmission, and is operated by oil pressure. We do not use the pressure of the foot as in the old days. The differential was not invented by Ford.

Other names associated with the early days of the car industry were Mott and Durant of Flint, Michigan. At the entrance of the Flint Michigan Institute there is a great picture, measuring 6 feet by 8 feet, of Mr. Mott driving one of these cars. It is nothing less than a horse buggy with a little engine under the seat. He is driving by two ropes tied to the axles and he is going over a muddy street and there is a policeman on a bicycle trying to chase him off the road. Mott had a great deal to do with the inventions on new cars.

A group of young fellows in the early 1890s obtained small one-cylinder engines at Detroit for a few dollars each, and were designing their own cars from horse buggies. They would put an engine under the seat, use ropes, flat belts, and pulleys to drive the wheels. They would steer by the ropes, and they would play with these things on the streets. This is how cars started.

Mr. Durant had great business ability, and he eventually became a millionaire. He left New York on an ocean trip. He lost his fortune because his factory failed, but before he reached the other side he was again a millionaire, having made a million from somewhere else. His name is well known in the car world. There is a monument to Mr. Mott and Mr. Durant in Flint.

We also recall the names of Henry Chevrolet, Albert Champion, and Walter Chrysler, who was a millwright. There was Mr. McLaughlin, who made his own car, a Buick, which became the McLaughlin-Buick. Other names of American cars were coming on the market: the Maxwell, the Durant, the Star, the Grey Dort, the Hupmobile, the Studebaker, the Hudson, the Cleveland, the Simco, the Essex, the Velie, the Reo, the Stutz, the Packard, the Briscoe, and many others.

Many of these names have disappeared but I think they will recall memories, because some of us have at one time owned or driven some of these famous cars.

Then came the Cole Front drive car, but it did not last long. In between there were two famous steam cars, the Stanley Steamer and the Brooks Steamer.

We have also to recall the Fisher Brothers of Flint, Michigan. Mr. Fisher himself was the father of three sons. He was a blacksmith and he welded wagon axles. His three sons designed a wagon and put an engine in it to play with on the road. This is how the Fisher Body was first developed, and it became very famous. It provided the automobile industry with good solid car bodies. There was nothing like Fisher bodies at one time.

Going back to old memories, many of us still remember the carbide and kerosene lights, the old clincher round rims, the pump, and the patches to do the tire repairs whenever a tire blew out.

There was the system where the gasoline was fed to the engine by gravity. You had to go up hills in reverse, otherwise the gasoline would not run from the tank.

There was the oil splash-oiling system, followed by the development of the universal joint. Then there was the advent of the cone leather clutch. Just imagine! Cars had a clutch and the driver could cut the power from the movement of the wheels. This old clutch consisted of two cones, somewhat like ice cream cones, which fitted one into the

other. The types of construction was open underneath and, if there was difficulty because of mud or rain and the clutch began to slip, the driver simply got out of his car, picked up a handful of sand, got underneath the car and threw the sand into the clutch, thereby obtaining clutch friction at least until the sand wore out and the clutch dried out sufficiently to work on its own again.

There were other troubles in those days, such as the splitting of the pinion gears at key-way slot, and broken axles and driving shafts. This latter was quite common. There were external rear brakes at that time, and also it was necessary to hand crank a car to start the engine. If the spark was not retarded properly, the person cranking might well end up with a broken wrist because of kickback. Then there was the old model T-Ford which carried four dry cells for starting purposes and then shifted onto magnetos once it was started.

Those are a few of the things we lived with in those days, and it is pleasant to recall them.

Many of those old things were replaced. The old lights were replaced by electric lights. There was the advent of removable rims for tire changes. A new force-feed system of oiling did away with the splash system, and new roller bearing universal joints came in.

The old clutch was replaced by a disk plate clutch and then by the single plate and multi-plate clutches. There were all kinds of things that were tried in the way of clutches, finally followed by the fluid drive which we have today. The old internal brakes were developed into four-wheel brakes. The old gas pump was replaced by a new vacuum-type gas tank which worked on a gravity system, drawing the gas from the tank through a gas line into the engine.

The initial model T-Ford shift pedal, which we are still using today, was later changed to a hand shift. That was then followed by another type of transmission which we called the synchromesh transmission which was silent. It was possible to shift without any grinding of gears. That later developed into the famous hydromatic transmission as we have it now.

In the cars of today we have beauty, comfort and speed. As far as dependability is concerned, there is a question mark on that one.

The whole economy and our way of life has changed with the advent of cars. The popular craze of the Sunday afternoon drive was probably responsible for the desire to have automobiles, but in any event we soon became the victims of erroneous advertising and we have never recovered. In those days brakes were in a developmental stage, and one company after the other would advertise some new brake system, describing it in glowing terms with pamphlets and posters as the safest and most proved brake system, the one you really needed. Everybody would fall for the advertising and buy this latest equipment only to find that the very next year the same companies were bringing out still another new type of brake system supplanting the old. Again, everybody would buy the newest development. That went on for years and years before we suddenly realized how stupid we were and that we were being taken for a ride.

Throughout all this developmental period there were many failures. I remember them very well because I used to work in a garage in the early thirties and I know what I am talking about. Nevertheless, I remember well, too, that in the early thirties, when we had the Fisher bodies, it was not uncommon for cars to roll over on the highway, but very little damage resulted from such accidents. Most of the time there would not even be a dent in the top and the windows would not be broken. If you rolled a car over today, all the windows would be smashed and the roof would be dented in. So we have lost something somewhere along the line. I wish to tell you where we lost it. Cars no longer are capable of carrying their weight upside down. Doors which were once solid are no longer so.

Today we sacrifice strength for ornament—chrome and nickel, and we ride in nickel and chrome-plated tin cans.

Is it not strange that we have failed to improve the consumption of gasoline, when it is well known that there is enough energy in one gallon of gasoline to drive an average car a distance of 450 miles? And yet the only distance we get out of one gallon of gasoline in the average car is between 12 and 15 miles, or sometimes 20. Why have we not designed a carburetor that can take advantage of the energy we know is in that gasoline? We know how, but apparently we are not allowed to do so, and I am sure you know the reason why as well as I do.

The same argument holds with respect to tires. It is well known that millions of dollars have been spent by the tire manufacturers to produce a tire that will wear out in less than 20,000 miles. Is this what we call improvement,

this planned obsolescence? We have certainly improved the looks, but we have sacrificed the strength; we have improved the finish, but we have sacrificed the workmanship.

If you compare a 1970 car with a 1930 car you will see that the workmanship and fitting of the doors and hood and trunk of the old car is vastly superior to that of the new. In those days customers were very particular about the fit of the various parts of the car, and cars were produced to satisfy the customer. But today, with mass production, such things as doors, far from fitting properly, leave room for your fingers to fit through. We have improved the finish but we have sacrificed the workmanship. We have improved the speed but we have sacrificed control. We have improved design but sacrificed safety. We have improved production but have sacrificed cost.

The picture as we see it today is that our cars have killed more people in Canada and the United States than any war or any disease and we are still killing people at a tremendous rate. In Canada it is at the rate of about 5,000 a year, and in the United States that number is increased by a factor of ten. It is over 50,000 there. This is a picture we sometimes fail to see. But in our hospitals across Canada today there are approximately 40,000 beds taken daily by people hurt in car accidents. That is a tremendous number of beds. There are 135,000 people convalescing from car accidents, and last year there were 172,000.

It is interesting to note that if one were to pile the new cars that are demolished every year one on top of the other for a height of 100 feet, the resulting pile would fill an area one mile square. I know that sounds unbelievable, but it is a fact.

Hon. Mr. Bourget: I am interested in what the honourable senator is saying, and I should like to know where he gets his statistics.

Hon. Mr. Fournier (Madawaska-Restigouche): From the National Safety Council in Chicago and in Ottawa. I will read from those statistics in a minute. We often see in the old countries war cemeteries with 5,000 or 6,000 little white crosses and we contemplate how awful it is. But if we viewed the situation in Canada in its proper perspective we could imagine a new cemetery every year in Canada with 5,000 white crosses, simply for those killed in car accidents. That is not exactly a rosy picture.

Now, it is a fact that in Canada, as you will be pleased to hear, in 1969 there was a decrease in car accidents despite the fact that there was an increase in the number of cars put on the roads. I should now like to put on record a summary of highway accidents in Canada for January to September. It is not completed owing to the fact that the Dominion Bureau of Statistics could not supply figures for October, November and December.

> Despite the sharp rise recorded during the second quarter of 1969, traffic deaths and injuries at the end of the third quarter resumed the downward trend that became evident as early as the fall of 1968. The increases in traffic deaths and injuries for the first nine months of 1969—over the corresponding period in 1968—stand at 0.3 per cent and 3.5 per cent respectively. Canada's motor vehicle population increases at the rate of approximately 6 per cent annually.
>
> However, property damages accidents and total accidents continued to rise sharply: 14.5 per cent and 11.8 per cent respectively.
>
> Four provinces recorded fewer deaths. They were: Quebec (—18); Manitoba (—28); Saskatchewan (—31); and British Columbia (—50).
>
> Fewer injuries were reported in P.E.I. (—67); N.B. (—135); Quebec (—902); and Saskatchewan (—328).
>
> Only P.E.I. and N.B. recorded a decrease in property damages accidents and total accidents.

Possibly one reason for this is that we have had Liberal Governments for so long in the two provinces that we cannot drive new cars any more.

Hon. Mr. Martin: Up to now you have been very scientific.

Hon. Mr. McDonald: Maybe it is that you have better roads there.

Hon. Mr. Fournier (Madawaska-Restigouche): I have the statistics here from the Highway Safety Council in Ottawa, and since 1967 there has been a decrease in the number of accidents with 5,379 dead on the highways while in 1968 it was 5,224, a decrease of slightly over 100. It was a slight drop anyway. However, the reported injuries in 1967 were 165,664 and in 1968, 172,795. Property damages went higher by an increase of about $28 million. In 1967 it was $332,684 million and in 1968 it was $366,619 million.

So, honourable senators, as I said, I am in favour of the bill although I am really disappointed because it does not tell one very much, and I like to know, like many other Canadians, what is in the bill. It consists of 10 pages and 21 clauses. I do not know if it was drafted by someone who was carried away by emotion or political ambition, but he surely failed to tell us what it is going to do in one way. I want to be specific. There are 29 recommendations which are not in the bill but should be there. You can find them at page 3016 in the *House of Commons Debates* of January 29. When I look over these recommendations, I do not find anything like 29. I have difficulty in finding a dozen, and I will tell you what they are and how I read them. They are numbered here, and I do not know how they got this number. The numbering is 101, 102, 103 and the last one is 301. Number 101 is to control location and identification. Now, I do not know what that has to do with the safety of cars.

Hon. Mr. Martin: What section was that?

Hon. Mr. Fournier (Madawaska-Restigouche): It is Hansard, *Debates of the House of Commons*, January 29, page 3016. In one of those recommendations, No. 115, it says: "Vehicle Identification Number". So, these two should be together. Why should we separate them? What are we looking for—publicity, or action, or are we trying to build something with nothing? Then we have No. 102—"Transmission Shift Lever Sequence, Starter Interlock, and Transmission Braking Effect." I agree with this one.

Then we come to No. 103—"Windshield Defrosting and Defogging Systems" and No. 104—"Windshield Wiping and Washing Systems." Those two should be put together. We are talking about windshield defrosting systems and windshield washing and wiping systems. Why do we have two different recommendations?

Then we come to No. 105—"Service Brake, Emergency Brake" and No. 106—"Hydraulic Brake Hoses" and then we see No. 116 "Motor Vehicle Hydraulic Brake Fluids". They should be all together in one group. There is no question about that.

No. 107 is "Reflecting Surfaces" and No. 108—"Lamps, Reflective Devices and Associated Equipment". Later we see No. 205—"Glazing Materials". Under the recommendations you have three specific recommendations and yet you are dealing with the same material and the same items. No. 109 is "New Pneumatic Tires" and No. 110—"Tire Selection and Rims". Again these deal with the same subject and should be grouped together.

No. 111—"Rearview Mirrors" and No. 112 "Headlamp Concealment Devices"—I would like to know what they mean by that. I know this much, honourable senators, that if we are not careful we may find that the price of our cars will increase by a couple of hundred dollars. They will not be giving these things to us for nothing. I notice my good friend Senator Petten mentioned that somebody is trying to do something about putting something into our exhaust to reduce carbon monoxide. This is not going to be given free. It will add another $65 or $70 to the price of the car. Those of us who know something about this know very well that we can solve the problem of carbon monoxide in the exhaust very easily because it is produced by a lead content gasoline. The lead content gasoline is used to prevent pre-ignition because the compression is too high. By using standard gas we can do away with the lead content gasoline. We do not have to have these devices that are going to cost a lot of money. So we have to be careful about what we are doing.

Then we come to No. 113—"Hood Latch Systems", which I think should be coupled with No. 206—"Door Latches, Hinges and Locks". No. 116 should already be coupled with others. No. 201 and No. 202 deal with "Occupant Protection in Interior Impact" and "impact protection for the driver from the steering control system." No. 202 deals with "Head Restraints". I suppose that is what we call a headrest. Speaking of headrests, at times I think people are carried away by emotion and even the Safety Council in Ottawa is sometimes carried away by emotion. When safety belts came in, everybody went crazy about them. We spent over $50 million in advertising safety belts and yet they are used by less than 10 per cent of the people because there was evidence that in certain circumstances the safety belt can be the cause of fatalities. In other cases they have saved a lot of lives, I agree, but there is the other side; so it is an on-balance affair, and before we jump to any conclusion we want to look at both sides of the picture. Headrests are not to me much of a safety device and I will tell you why. First of all it has a tendency to lull the driver into drowsiness. You sit comfortably and you ride and you stretch out and you drive and you go to sleep. I do not think that you should feel that much comfort when you drive, any more than you would

drive with a big overcoat on. You want some flexibility and movement, so I would not want to drive a long distance with a headrest, unless I was sick or tired—and then of course I would not drive.

Hon. Mr. Martin: Sometimes people go to sleep for other reasons!

Hon. Mr. Sullivan: Honourable senators, you might be interested to know that more whiplash injuries occur in cars with headrests than in those without them.

Hon. Mr. Fournier (Madawaska-Restigouche): I have read somewhere that the medical profession is not in favour of the headrest, for safety reasons. In some places they are beginning to take out the headrests in police cars because they obstruct one's ability to look to the rear.

Then I come back to No. 204: "Steering Control Rearward Displacement—Passenger Cars."

Here is a group that is fascinating, Nos. 207, 208, 209 and 210. They all have to do with seat belts. No. 207 is "Anchorage of Seats—Passengers cars"; 208 is "Seat Belt Installations—Passenger Cars"; 209 is "Seat Belt Assemblies—Passengers Cars, Multipurpose Passenger Vehicles, Trucks and Buses"; and 210 is "Seat Belt Assembly Anchorages—Passenger Cars." If you look at this, read it and use your imagination and know a little of what is going on, you will find there are not 29 resolutions there; I can hardly find 12.

Then you have wheel nuts, wheel discs and hub caps; windshield mounting; fuel tanks, fuel tank filler pipes, and fuel tank connections, and so on.

These may be all right up to a certain point, but I am certainly not satisfied with this, and I do not think that anyone in the Senate should be. We would like to know about this in more detail because it is going to be serious if it becomes law. We do not know what is going to happen.

There is much talk about rear-window defrosters. They say we should have electric devices in windows, heater plates, and so on. There is a very simple way to deal with frost on car windows. You have the car heating system which requires air circulation just the same as in your home. A heating system without circulation does not operate. If you are driving along and you find your windows getting ice-covered, all you have to do is to open a rear window slightly, about the depth of your finger, and in ten minutes the frost will have disappeared from the side and rear windows, because then you have heat circulation from the front of your car to the rear which assists in defrosting the windows. There is no problem there. We do not have to spend a lot of money trying to get suitable defrosters. If you have snow on the windows of your car, you know there are some regulations. You take a little whiskbroom, get out of your car and brush the snow off and clean off the ice. Any sane driver will do that.

I also feel sorry that in many provinces, including my own province, we are relaxing on driver education. Apparently, governments are reluctant to spend more money on education, but I believe that if there is a place where money is well spent it is on driver education, because it does not matter what kind of training you are going to take, what kind of education you have, the first thing you are going to do as soon as you start working is to drive a car, and if there is no one to train you how to drive correctly then you become a menace to the public and may end up a fatality.

I know that in New Brunswick not so long ago we were graduating a large number of driving instructors under the New Brunswick Safety Council. Things were going well in Quebec, Ontario and Nova Scotia, and, in fact, right across the country, but all of a sudden there was a relaxation in driver training.

We have done away with two-ply tyres, and that is a good thing because they were a menace to the public. This is another case where we become drowsy because of poor advertising, and the advertising people put up nice stories about the flexibility of the tires, but they were not worth a—I will not use the word here.

There is another problem here which is not mentioned and I would like to hear someone talking about this, the problem of tail-lights. I am not thinking about the expense. I understand that when the first cars were built they put a little red bulb or kerosene light on the back as a warning.

Then came the tail-light, and we have adopted the red. Today we have three lights showing to the rear: the tail-light, the spotlight and the directional signal. We have red, pale red and bright red. Across Canada the railways are using green to move vehicles.

I think it was three years ago I was able to interest the National Safety Council of Ottawa in making a study of these tail-lights. I felt that a moving car should show a green

tail-light and a parked car a red tail-light. If you apply the brakes you have a red tail-light which is a warning that you are going to stop. Then you could use brighter red or amber for the directional signal. We know that a number of people are colour blind, and there seems to be a lot of nonsense as to why we are stuck with three reds, and we are trying to differentiate between dull and bright red, when we have other colours accepted by other safety codes.

You will be surprised to learn of the effort made by the National Safety Council in trying to arrive at an answer, but they have not arrived at one yet. They have about half a ton of briefs presented to them by all kinds of people, people who supply the glass, and so on, and so-called experts, and many have written books for or against it.

However, I return to discussing the simplicity of the whole thing. The railways have used green for moving vehicles, and why not use green for tail-lights when a vehicle is moving? This is a simple matter. It is really a matter of changing one or two wires underneath and you have it. The politicians say it would cost a fortune. It would not. You have to amend only one word in the act. Then new cars in the 1970s would be equipped with green tail-lights, and within five years practically every car would be equipped with them. This is not mentioned here. I am inclined to believe that whoever drafted this was not in very deep as far as safety and the knowledge of cars is concerned.

Then there is the breathalizer system. I am glad to see it is accepted as federal law. It is accepted as a necessity all across the country. I know that the legal boys have made a lot of noise about its trying to infringe on your rights, but when you think about it the rights left to the layman today are not so many; you are surrounded by laws. I think it is a good move, and we know in England it has decreased the number of accidents by a great number. It is very effective in my province. Anyone who refuses to take the breathalizer test, to my mind, has had one or two drinks too many. It is just as simple as that.

Another thing that is not mentioned is the speedometer being set back. I feel the speedometer in cars should be sealed because this is the worst possible racket. You bring your car to a garage with so many thousand miles on it and you find when you go back the next week that your car has only, say, 28,000 miles on it, and someone buys it thinking that it has only that mileage on it. I know because I have set back many of these myself.

Some people have mentioned roll bars, improper ashtrays and door handles. I call this baloney as far as highway safety is concerned.

Now, the steering wheel. They are spending a lot of money to come up with a flexible steering wheel. I go along with that up to a certain point, because if you have some kind of shock absorber on your steering you are likely to save lives. On the other hand, let us not overlook the point that for every driver killed behind a driving wheel there are four passengers in the car killed. This is because there is nothing for them to hold onto. So, the steering wheel, if you are in a crash, is not as bad as might be thought, although it is an obstruction.

I have mentioned headrests, and I have mentioned pollution and the reduction of the compression of engines so that they are able to utilize regular gas. I should like to mention also the installation of crossbars on motorcycles. I remember that when I was in the legislature the attorney general of our province was a good old man who drove about 2,000 mile a year, which was mostly done with his wife on nice afternoons while travelling to his home town. Yet, he was in charge of safety of motor vehicles. Every year his department would come out with some new safety regulations, and I was always in hot water. He was of the view that motorcycles should carry only one light. I put up quite an argument, and I finally won my point with the help of a few civil servants. He was not an easy man to handle.

The reason why I wanted two spotlights on the cross bar of motorcycles was to make identification of them simple. When you are driving at night and see only one light, for a few moments you do not know whether it is a motorcycle, a truck or a car with one light missing. If motorcycles are compelled to have two spotlights on the crossbar, then an approaching motorist sees three lights—a headlight and two sidelights—and he knows immediately he is meeting a motorcycle.

New Brunswick also introduced not too long ago the safety triangle. If you are stopped on the road because of a flat tire you have to place a red reflective safety triangle 200 feet behind your car. This regulation was passed about three years ago, and I had quite a bit to do in promoting it through a television program. However, during all the time since then while travelling through the province I have seen only one car with the safety triangle displayed.

At one time I was told of a man on the Mackay highway around Saint John who had a flat tire. He had no spare. He put out his safety triangle, and took off the wheel, leaned it against the car, and went to a garage to get some help. When he returned he found that somebody had stolen the tire and the triangle. I was sorry to hear of this happening in New Brunswick, almost on Senator McElman's doorstep.

This leads me to mention the need to standardize bumpers. The so-called bumper on the cars today is not a bumper at all. It is merely an ornament. Some cars have bumpers that are recessed away into the cowling at the front.

Years ago cars had bumpers that were bumpers. If you hit a pole in such a car, you might dent the frame or even break the pole, but you did no great damage to the car. That bumper extended 12 or 14 inches in front of the car. I will admit that it did not look so good, but it performed the function that it was intended to perform.

It is my opinion that we have to get back to having real bumpers of a standardized design and height installed on all cars. The present day bumpers are nothing more than ornaments, and do not really protect the most expensive part of the car, the grill, which is made in one piece and of the cheapest material. Some grills are so frail that you have to be careful when you take them out of the crate in which they are packed. The radiator is placed behind that grill, and is fastened to the fenders, instead of being tied to two rods extending from the cowling. You need only hit something quite gently to move the bumper back, which moves the fender back, which moves the radiator back, and there is a chain reaction all the way along the car. It does not take much of a bump on the front end of a car to cause damage that will cost $500 to repair. This is why our insurance rates are so high.

I hope that we shall soon see a standard bumper on the Pontiacs, Dodges, Chryslers, and other makes of automobile. It is most important, I think, that something be done in respect of bumpers.

Honourable senators, it is getting late, so I will conclude my remarks. Let us remember that a car by itself does not cause an accident. I have yet to hear of a car without a driver causing an accident. This is impossible, unless the car has been improperly parked on a hill and the brakes give way. Yet, here we are scratching our heads and making regulations to improve the car while not thinking about the driver. The driver is the weakness. I could speak for a whole hour on the driver alone, because it is here that great improvements can be made. I am sorry to hear that we are doing away with the education of drivers.

We have drivers on our highways today who are close to the end of their lives. They should be removed. We should make it easy for police patrols to remove careless drivers from the highway. It is almost impossible to remove them today, unless they kill somebody, or themselves.

Let us remember that when we get into a car, close the door, turn the key, and proceed on our way, we have only four places to go. We can go to our destination, wherever it is; we can land in jail, and this happens to many drivers; we can land in hospital, and this also happens to many drivers; or we can land in the morgue. There are only those four places, and we have to exercise all possible care in order to arrive at our destination.

We must also remember our tendency to blame the other driver. The fault is never our own; it is always that of the other driver. We never realize how fast we are travelling until we have to make a sudden stop and, honourable senators, this is where I stop.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

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

CAPE BRETON DEVELOPMENT CORPORATION ACT

BILL TO AMEND—SECOND READING

Hon. Earl W. Urquhart moved the second reading of Bill C-138, to amend the Cape Breton Development Corporation Act.

He said: Honourable senators, Bill C-138 is brief, simple and non-controversial, and I shall restrict my remarks to its principle. It is to amend the Cape Breton Development Corporation Act.

The Cape Breton Development Corporation was established in 1967 with the power to make grants and loans to enterprises that would make a substantial contribution to the industrial development of Cape Breton. The purpose of this amendment is to broaden the powers of the Cape Breton Development Corporation and enable the corporation to guarantee loans, in addition to making grants and loans, from normal commercial sources.

At the present time guaranteed loans could be made by the Department of Regional Economic Expansion by simply designating an area as a "special area" in consultation with the province concerned, but it is felt by the Government that this power of guaranteeing loans should be given to the Cape Breton Development Corporation so as to prevent a duplication of this service by the department and DEVCO.

The Cape Breton Development Corporation already possesses all of the other powers that the Department of Regional Economic Expansion has to assist industrial development, and a government guarantee may enable an enterprise in a special area to borrow at a reasonable rate of interest in circumstances where it would not otherwise be able to find a bank or investment company willing to lend.

Accordingly, honourable senators, this bill would give the Cape Breton Development Corporation the right to guarantee loans up to $100 million with the approval of the Governor in Council on the recommendation of the Ministers of Regional Economic Expansion and Finance, and to guarantee the payment of interest on such loans. This means that the corporation will have on hand, for quick action, this power to help any industry wishing to settle or expand in Cape Breton where a guaranteed loan appears to be the right type of assistance to meet the situation.

I should point out that this amendment deals with only one aspect of the work done by DEVCO. This amendment does not change in any way the functions of the corporation with regard to coal mining operations on Cape Breton Island. This amendment deals only with the corporation's activities for the development of industries other than coal mining. This bill, therefore, is extremely important because it will round out the powers of the corporation which will then have all the means required to promote industrial development in Cape Breton.

That, honourable senators, is the principle of the bill.

Hon. John M. Macdonald: I rise for the purpose of saying I wholly agree with everything which has been said by the honourable Senator Urquhart. He gave a very good and concise explanation of what the bill means. I will only add that I think it is a measure which is worthy and deserving of the support of all honourable senators.

Senator Urquhart made no mention of whether or not he wished this bill to go to committee. Personally, I do not think it would serve any useful purpose at this time to send it to a committee. When the bill was before the House of Commons it was referred to their Standing Committee on Regional Development on February 25. At that time it was pointed out that the present chairman of the Cape Breton Development Corporation had only recently been appointed and was then engaged in compiling a financial statement for the year. Therefore, it was felt that it would be preferable to have him appear at a later date to be asked detailed questions regarding the operations of the corporation. The Commons committee did not ask him for any details of the operation. I agree and consider this to be a good idea.

I believe that the bill should be given third reading tonight.

Motion agreed to and bill read second time.

THIRD READING

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

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

Motion agreed to and bill read third time and passed.

The Senate adjourned until Thursday, March 19, at 2 p.m.

THE SENATE

Thursday, March 19, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Public Service Staff Relations Board for the fiscal year ended March 31, 1969, pursuant to section 115 of the Public Service Staff Relations Act, chapter 72, Statutes of Canada, 1966-67.

Report of the Custodian of Enemy Property for the year ended December 31, 1969, pursuant to section 3 of the Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947.

Copy of Order in Council P.C. 1970-492, dated March 17, 1970, with respect to the appointment of H. Carl Goldenberg, Esq., Commissioner under Part I of the Inquiries Act, to inquire into the vehicular delivery of mail in the City of Montreal and matters relating thereto.

Report of the Canadian Transport Commission for the year ended December 31, 1969, pursuant to section 21 of the National Transportation Act, chapter 69, Statutes of Canada, 1966-67.

Report of the Governor of the Bank of Canada, and Statement of Accounts certified by the Auditors, for the year ended December 31, 1969, pursuant to section 16 of the Bank of Canada Act, chapter 88, Statutes of Canada, 1966-67.

MOTOR VEHICLE SAFETY BILL

REPORT OF COMMITTEE

Hon. J. Campbell Haig, Acting Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill C-137, respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another, and had directed that the bill be reported without amendment.

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

Hon. A. Hamilton McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DEEP SEA FISHERIES ACT

BILL TO REPEAL—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-133, to repeal the Deep Sea Fisheries Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-134, to amend the Coastal Fisheries Protection Act, and had directed that the bill be reported without amendment.

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

Hon. Donald Smith moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Lazarus Phillips, for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-183, to amend the Agricultural Products Co-operative Marketing Act, and had directed that the bill be reported without amendment.

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

Hon. Hazen Argue moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

SALTFISH BILL

REPORT OF COMMITTEE

Hon. Lazarus Phillips for Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish, and had directed that the bill be reported without amendment.

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

Hon. A. Hamilton McDonald moved that this bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE BILL

REPORT OF COMMITTEE ADOPTED

Hon. Hédard Robichaud, for Honourable John B. Aird, Chairman of the Standing Senate Committee on Foreign Affairs, reported that the committee had considered Bill C-12, to establish the International Development Research Centre, and had directed that the bill be reported with the following amendments:

1. Pages 5 and 6: Strike out subclause (3) of clause 10 and substitute therefor the following:

"(3) Two of the governors, who are Canadian citizens, other than the Chairman and Vice-Chairman, may be appointed from among the members of the Senate or the House of Commons; a member so appointed shall not be paid remuneration but shall be eligible for expenses and, if he is a member of the House of Commons, shall not, by reason of his being the holder of the office or place in respect of which such expenses are payable, be rendered incapable of being elected, or of sitting or voting, as a member of that House."

2. Page 8: Strike out clause 19 and substitute therefor the following:

"19. The Centre shall be deemed, (a) for the purposes of the Income Tax Act, to be an organization in Canada of the kind described in paragraph (e) of subsection (1) of section 62 of that Act, and (b) for the purposes of the Estate Tax Act, to be an organization in Canada of the kind described in subparagraph (i) of paragraph (d) of subsection (1) of section 7 of that Act."

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

Hon. Mr. Robichaud: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(c) and Rule 45(1)(f), I move that the report be adopted now.

Hon. Mr. Flynn: Explain.

Hon. Mr. Robichaud: Honourable senators, I am pleased to give a brief explanation of the two amendments as reported from the Standing Senate Committee on Foreign Affairs.

Clause 10(3) provided that:

> One of the governors, who is a Canadian citizen, other than the Chairman and Vice-Chairman, may be a member of Parliament.

The amendment before us provides that:

> Two of the governors, who are Canadian citizens, other than the Chairman and Vice-Chairman, may be appointed from among the members of the Senate or the House of Commons.

In other words, it provides that the minister may appoint either a member of the House of Commons or a member of the Senate.

Hon. Mr. Flynn: Both.

Hon. Mr. Robichaud: Clause 19 of the bill, with the side note "Centre charitable organization", says:

> The Centre shall be deemed to be a charitable organization in Canada, (a) as described in paragraph (e) of subsection (1) of section 62 of the Income Tax Act, for the purposes of that Act; and (b) as described in subparagraph (i) of paragraph (d) of subsection (1) of section 7 of the Estate Tax Act, for the purposes of that Act.

The change recommended by the committee is that clause 19 be struck out and the following substituted therefor:

19. The Centre shall be deemed,

(a) for the purposes of the Income Tax Act, to be an organization in Canada of the kind described in paragraph (e) of subsection (1) of section 62 of that Act, and

(b) for the purposes of the Estate Tax Act, to be an organization in Canada of the kind described in subparagraph (i) of paragraph (d) of subsection (1) of section 7 of that Act.

Members of the committee thought that this was a more appropriate way of defining this clause. I commend these amendments to the favourable consideration of honourable senators.

Report adopted.

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

Hon. Mr. Robichaud moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Paul Martin: Honourable senators, I move, seconded by Hon. Mr. McDonald, with leave of the Senate and notwithstanding the provision of Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Monday, March 23, at 8 o'clock in the evening.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, last week at this juncture in our proceedings I indicated that I intended to return to a practice which I adopted a year ago, and which was subsequently dropped because of suggestions made opposite. However, in view of the observations of several senators, I thought that it might be desirable to resume the practice and to indicate at this point in our proceedings the business of the house as we can foresee it for the following week.

In moving that when the Senate adjourns today it stand adjourned until 8 o'clock on Monday night, I have taken into consideration the fact that it is hoped we can complete the work we have on hand and the legislation that will come to us from the other place, and adjourn for the Easter recess following a Royal Assent to bills, probably late in the afternoon on Wednesday, March 25.

When we return on Monday night, we should have before us Bill C-194, the Statute Law (Supplementary Retirement Benefits) Amendment Act, 1970. This is an important bill and one that will require careful consideration, both in this chamber and in the other place. I think it would be the desire of members of both houses to try to have this measure enacted before we adjourn for the Easter recess. In addition, Senator Leonard will present the report from the National Finance Committee on Supplementary Estimates (B) for the financial year ending March 31, 1970. It is desirable to have this report debated and adopted before the supply bill covering the supplementary Estimates comes before us.

Before adjournment, we will have to deal with two supply bills—one covering Supplementary Estimates (B) and the other granting interim supply for a part of the 1970-71 fiscal year.

Also, the debate will continue on the motion that the Senate Committee on Legal and Constitutional Affairs be instructed to consider and report on procedures for the review by the Senate of statutory instruments.

Before the adjournment for Easter we may receive a message from the other house asking this house to join in the establishment of a special committee on price stability. Whether or not it is received will depend on the progress made in the other place.

I thought it desirable to give honourable senators this indication of the work we may expect for next week.

Hon. Mr. Flynn: Honourable senators, in principle it is a good practice to advise the Senate of the work to be dealt with in the following week, and I thank the leader for indicating the program.

I would like to know if the leader has any indication to give as to how long the adjournment will continue when it does take place. That information would be useful to many members who may have plans for this occasion.

Hon. Mr. Martin: Honourable Senator Hayden has spoken to me about this matter. He has arranged for an important meeting of the Standing Senate Committee on Banking, Trade and Commerce for April 8. As an experienced senator, he thought that if there

was business that would bring us back on April 7, our return at that time would be helpful to him. I told him I could not be positive, but that I thought we would return on April 7, so that there would be a full complement of senators at the committee on the following day.

I believe it likely that when we return—assuming it is Tuesday, April 7—there will be a debate on the recent visit of senators and members of the other place to the United States under the auspices of the United States-Canada committee.

In any event, I would hope that we will know, not later than Tuesday next, whether we will be returning on April 7.

MASS MEDIA

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF SENATE

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(a), moved:

> That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media on 24th and 25th March, 1970 and from 14th to 23rd April, 1970, both inclusive, and that the committee have power to sit during sittings of the Senate for that period.

He said: Honourable senators, it is my understanding that this is the last time that the Special Committee of the Senate on Mass Media will ask for this permission.

Hon. Mr. Flynn: We heard that before.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Mr. Flynn: Honourable senators, in view of the assurance that the Chairman of the Special Committee of the Senate on Mass Media has given us through Senator MacDonald, and especially on behalf of the members of that committee, I should like to support the motion, on the assurance that this be the last time such permission is given, and that eventually we will be able to return to normal life.

Motion agreed to.

NATIONAL HEALTH AND WELFARE

INCREASE IN STAFF OF FOOD AND DRUG DIRECTORATE SINCE MARCH 31, 1969—INQUIRY ANSWERED

Hon. Joseph A. Sullivan inquired of the Government, pursuant to notice:

> What has been the increase in the staff of the Food and Drug Directorate of the Department of National Health and Welfare at the headquarters in Ottawa and at each of the regional and district offices since 31st March, 1969?

Hon. Paul Martin: Answered.

(The answer follows)

> Current statistics concerning the change in personnel of the Food and Drug Directorate are listed below. The figures given for the different regions include the figures for the district offices.

	As of March 31, 1969	As of Feb. 28, 1970	Increase	Decrease
Food and Drug Headquarters, Ottawa.	522	627	105	
Eastern Region	38	36		2
East Central Region	95	103	8	
Central Region	121	118		3
West Central Region	31	28		3
Western Region	53	54	1	
	860	966	114	8

FOREIGN AFFAIRS

STATUS OF CANADA IN WESTERN HEMISPHERE—WASHINGTON STATEMENT—QUESTION

Hon. Grattan M. O'Leary: Mr. Speaker, I should like to direct two questions to the Leader of the Government (Hon. Mr. Martin).

First, does he know whether the statement is true or untrue, as made in the United States Senate yesterday by Senator Church, an ardent and very influential friend of Canada, that in the State Department in Washington there is no Canadian desk under the western hemisphere; that for some extraordinary reason, mainly because of NATO, Canada is linked with Europe, a fact which possibly explains why the President of the United States in his recent message to Congress in dealing with the western hemisphere specifically spoke of United States relations with the Republics of the western hemisphere, not mentioning Canada at all.

I ask Senator Martin further, if he finds this to be true, will he use his vast experience and good judgment to approach his colleagues and see if this demonstrable and utter nonsense can be remedied?

Hon. Paul Martin: Honourable senators, I read in the morning paper the statement attributed to Senator Church. I am glad to have supplementary information supplied by Senator O'Leary.

Before replying, I should like to say to Senator O'Leary that the reports of his colleagues on the recent delegation to the United States are to the effect that the speech he made in Houston, Texas, last Friday was one that not only did credit to him, but to the Senate of Canada and Canada as a whole.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: I should like to tell Senator O'Leary further, and Your Honour, how grateful and proud we all were of the members of that delegation, all of whom apparently represented Canada with distinction. We are all looking forward to a report from the delegation.

It is, of course, up to each government to decide how it wishes to organize its foreign service. The State Department has a Canadian desk, and this I believe is of recent origin, going back about four or five years. As Senator O'Leary observes, however, the Canadian desk is a part of the European Division. Senator Church proposes there should be a separate Canadian desk in the State Department for the reasons Senator O'Leary outlined. This is a matter for the United States to decide. We, in our External Affairs Department, have an officer who is especially charged with United States-Canadian affairs, but I do not believe it would be appropriate for the Canadian Government to tell the government of another country how it should organize its foreign office. It may well be, however, that the words of Senator O'Leary will be brought to the attention of those concerned. It may be that his words will be persuasive.

THE SENATE

UNVEILING OF PHOTOGRAPHS OF FORMER GOVERNMENT LEADERS IN THE SENATE

Hon. Paul Martin: Honourable senators, I think it important that the records of this house contain some reference to the delightful and appropriate ceremony held yesterday under the direction of His Honour the Speaker in the foyer of the Senate.

You said yesterday, Mr. Speaker, when explaining the reason for the unveiling of the pictures of former Leaders of the Government in the Senate that the suggestion for this had emanated from a former Speaker of the Senate, the Honourable Senator Bourget. May I say to Your Honour that we were all moved by the ceremony. We are grateful for the way in which you presided over it. Portraits of all the Leaders of the Senate from the time of Confederation will now adorn the main corridor of this portion of the Parliament Building.

It is a matter of great satisfaction to note that Senator Aseltine and Senator Connolly (Ottawa West), both former Leaders, are now very active members of this house, and were among those honoured in yesterday's ceremony.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: It is important that we note that in addition to those of us who attended the ceremony, there were in attendance the Prime Minister of Canada, the Right Honourable John Diefenbaker, P.C., a former Prime Minister of Canada, the Leader of the Opposition in the other place and the Leader of the Opposition in the Senate, and relatives of former leaders, all of whom gave us occasion to recognize the contribution which these individuals, as members of this house, have made to the Senate and to Canada.

I think at this time it is appropriate to note some of the observations made yesterday by the Prime Minister of Canada. If I do not refer to the observations made by others it is because I single him out as head of the Government and because his are the only remarks I was able to acquire at this stage. With your permission, I will quote in part from what the Prime Minister said:

> It is a great pleasure to be here to associate myself with you in honouring these men who have honoured their country, who have honoured their families by serving the nation so well. The way in which they served by working in an Upper Chamber, and bi-cameral system has, of course, very deep roots in the past. Civilized nations for many, many centuries realized the importance of having two chambers to study the very vital and important questions which concerned their nation.
>
> I do not have to tell this gathering that the councils of the ancient Greeks and the Senate of Rome established these traditions very strongly. The ancient German councils did it in a slightly different way, but they too believed in the virtue of discussing twice every subject of importance to the nation.
>
> [*Translation*]
>
> Our traditions here are somewhat different. The parliamentary system has reverted to the role of the Senate as a Chamber where members apply their wisdom, their devotion and their knowledge to an exhaustive review of decisions which are also considered in another Chamber. Speaking for myself, I should say simply that I have every respect for this institution and that I hope it will remain firmly established in our parliamentary traditions.
>
> [*English*]
>
> I repeat, I believe that this bi-cameral system is a very important part of Parliament, especially in a federal form of government and I am sure it will continue for many years to perform its very vital functions.

Then he concluded:

> I want to thank the families and friends of former Government Leaders who are here tonight. I want especially to express my appreciation and thanks to the families of Senator Aseltine and Senator Connolly, two senators who are still with us and still very active in the Senate today.

Honourable senators, I think I can say to His Honour, who presided over the moving ceremony yesterday, that it will serve to cause each of us to be dedicated to the work which we have been called upon to perform in this chamber.

I express our thanks to His Honour, to the honourable Senator Bourget and to all who were in any way associated with yesterday's ceremony.

Hon. Senators: Hear, hear.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I say that I share the feelings expressed by the Government Leader with respect to yourself, Mr. Speaker, and with respect to our former Speaker, Senator Bourget, for suggesting and bringing about yesterday's ceremony in recognition of services rendered to the country by those who have shouldered the responsibilities of Government Leader in the Senate.

I fully agree that this idea deserved to be carried out because far too few people realize the services rendered here, not only by the Senate, but also by those whose exacting duty it is to direct our work and represent the Government in this house.

[*English*]

Honourable senators, I have said that I share the views of the Leader of the Government with respect to this great idea and the implementation thereof, that is, of recognizing the services rendered to this country by the former Leaders of the Government in the Senate.

I would also suggest that the next time we add to the collection in this corridor—I do not personally suggest that this should be soon, because the honourable Leader of the Government knows very well that I think he is doing a fine job in his present position, but time moves on and the public's love for politicians has been known to sour—that the picture that will appear there will be of one who would have preferred to be included among those hung in the hall on the other side. In any event, I for one represent the hopefuls, but I doubt very much that my portrait will be hung there, so the present Leader of the Government should console himself with this fact.

Hon. Mr. Martin: I think you are too pessimistic.

Hon. Mr. Lamontagne: He is a realist!

Hon. Mr. Flynn: I am not thinking of the results of the election, but of the judgment of the next Prime Minister of Canada!

I am happy that the Leader of the Government has mentioned the comments made by the Prime Minister yesterday on the Senate. The Prime Minister used the occasion to dispel the rumour that he shares the opinion of the socialists in respect of the Senate.

Hon. Mr. Martin: Not at all.

Hon. Mr. Flynn: There was a rumour to that effect, and the fact that the Prime Minister came out so clearly in favour of the Senate and the role it is playing is, I think, very good not only for the Senate but for Canada as a whole.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: He was supported on this point by the Leader of the Opposition in the other place. So, I think the reform of the Senate will be directed toward improving public opinion of this chamber, as well as an appreciation of the work of the Upper House. I would emphasize that it is of paramount importance that the public generally recognize and appreciate the value of the work done by the Senate. As has been mentioned by the Leader of the Government on several occasions, when you tell Canadians precisely what we are doing here, they are usually very surprised and equally appreciative, for they realize that our labour is of significant worth.

Therefore, in this respect the ceremony of yesterday was excellent, one which has rendered a real service to the public as well as to the Senate.

Hon. John J. Connolly: Honourable senators, I had an intimation that the Leader of the Government and the Leader of the Opposition were to speak on this subject this afternoon, so I consulted with my colleague Senator Aseltine and he said that I might say a word on behalf of those whose portraits were hung yesterday, because unfortunately most of them are not in a position to do so. Certainly, I am the least of the group.

From Sir Alexander Campbell down, there are portraits now hanging in our halls of men who have meant not only much to this chamber but very much indeed to this country.

Perhaps it is unjustly discriminating to pick out two, because there were two who were Prime Minister while they sat here—the Honourable Sir McKenzie Bowell and Sir John J. C. Abbott. I was particularly impressed by the presence yesterday of such close representatives of the Right Honourable Arthur Meighen and the Right Honourable Raoul Dandurand. I think it is not invidious to say that of the great leaders we have had in the past—and I am sincere in excluding myself from that group—there was none who exceeded the eminence and capacity of these two men.

I think we owe a great debt of gratitude to Senator Bourget for having conceived this idea, and to Mr. Speaker who, with his staff, spared no effort to make the appropriate arrangements for this significant ceremony.

I hope that one day some young man might take inspiration from what is displayed there and make a career for himself in these halls. If only one has the fire lighted under him as a result of seeing the portraits of these men, and perhaps of knowing what they did, then everything that they did will have been justified.

I would like to see a biographical booklet of the careers of the former leaders published as they were played out here in the Senate chamber. It would be a fine addition to Canadiana.

On behalf of Senator Aseltine and all those above me, I do say thank you to Mr. Speaker and to the leaders here, and to the Speaker and leaders in the other place, for their participation.

I can only add, and without being obnoxious, that I hope before long the Leader of the Government and the Leader of the Opposition will join the group in the corridor outside.

The Hon. the Speaker: Honourable senators, perhaps you will permit me a last word on this matter. For those who are fond of statistics, I may say that both traditional parties have had approximately equal participation, because of the 19 photographs hung yesterday, 10 were of Liberals and 9 were of Conservatives.

Hon. Mr. Martin: It is too close for security.

Hon. Mr. Flynn: For whose security?

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, March 17, the adjourned debate on the motion of Hon. Mr. Martin that the Standing Senate

Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

Hon. Allister Grosart: Honourable senators, I find myself in the rather unusual position of speaking in the Senate with only one item on the Order Paper, and that standing in my name. I hasten to say that this is not the kind of arrangement I consider the best possible for the Senate in any circumstances. I do not wish to impute motives, but when I find such a large assemblage of senators present on this afternoon with only one item on the Order Paper, and that standing in my name, I hope that it is not a case of mass retaliation.

The matter that is now before us was ably presented by the Leader of the Government, and thoroughly discussed by other honourable senators. My first comment about it is that it is extraordinary, in one sense, that it has taken this long for the Parliament of Canada to get around to this vital subject of curtailing the delegation of legislation in Canada which has now reached a point where it is incomparable with that of any nation with a system of government similar to ours.

The evidence of that is abundant. Some of it appears in the reports of the other place. One naturally wonders how we got into the position where we are delegating authority, and failing to scrutinize the administration of that delegation, in a way that no other comparable nation in the world would countenance.

The Leader of the Government quoted some comments of Professor John Kersell who is the author of the leading Canadian text in this field, *Parliamentary Supervision of Delegated Legislation*. In his evidence before the special committee of the other place on statutory instruments, Professor Kersell said on a good many occasions that this is an extraordinarily Canadian constitutional phenomenon. At page 78 of the report of the proceedings of that committee, he said:

> Nowhere did I find, except in the war years in Australia, the unlimited scope of delegating clauses of bills and sections of acts. I found no explanation for this almost unlimited delegation in the Canadian context.

Later on, he said:

> The sharpest contrast, I think, is with Britain where they have a highly developed welfare state and no federal system. It is a system in which there would be many more excuses for broad delegations, and yet you do not find them. There is much more precision.
>
> Another not quite comparable system where there are very few broad delegations, and you will have a witness who can tell you more about this in detail, is the American. Their Congress is most jealous of its legislative authority and simply refuses to delegate in an unlimited fashion...As I mentioned previously, this broad delegating pattern is quite unusual at least in other Commonwealth systems and, as far as I know, it would be considered quite exceptional in the American instance, too.

That is really a summary of a good deal of the evidence that is available in the texts on the subject.

Some of us who are members of other committees of the Senate which have been examining legislation should not be surprised that this situation has come about. I can only say that my own observation has been that it is yet another example of what happens often enough in our personal lives. We develop a small bad habit and get away with it, and that small bad habit eventually becomes a big bad habit. In the report which this chamber will receive shortly from another committee I imagine there will be a rather extraordinary current example of this very thing.

The question, of course, now goes to our own Standing Senate Committee on Legal and Constitutional Affairs as to what recommendation might be appropriate from the Senate of Canada in response, perhaps, to the report of the committee of the other place. I would hope that the committee will not take the specific terms of reference too seriously. The direction that the committee is to report from "time to time" seems to me to be rather limiting, and might be taken as indicating that it should be that committee that would in future deal with the subject of delegated legislation in so far as the Senate of Canada is concerned. Personally, I hope that would not be the conclusion the commitee would reach.

I say that mainly for the reason that all the evidence I have been able to gather indicates that this kind of scrutiny of delegated legislation is largely a matter for expert public

servants. It is not the kind of thing that is best done in the ordinary processes of parliamentary committee meetings. That is why I hope the committee will not assume it is the committee to undertake this task. However, I do think the work should be undertaken by a special committee of the Senate which would have the necessary professional assistance, because it has been the experience of other countries that this is not a matter which takes up a great deal of the time of any one committee. Experience indicates that the work is usually done by expert public servants who examine carefully delegated legislation and its authority, and then report cases that seem to them to require further scrutiny to the committee itself.

There is, perhaps, a parallel here in the operation of our former divorce committee which operated in its latter days in much the fashion I am suggesting. We had a commissioner who did the normal day-to-day processing work, and who referred his decisions to the committee for approval.

The terms of reference, and some of the remarks that were made in this connection both here and in the other place, seem to indicate that the work of the committee should be limited to an examination of the regulations themselves. There is a good deal of discussion in the literature on the subject as to whether the government policy behind the regulations should be examined by such a committee. There is a case, of course, to be made for the statement that the broad policy of government should be subject largely to examination in Parliament rather than in a special committee of this kind. However, I would suggest to honourable senators that it would be absolutely necessary in any examination of delegated legislation to look behind the delegation. My brief experience in this field indicates that most of the trouble arises because of the terms of reference. By and large it is caused by too broad a delegation. We have had in Canada a slow development, again a small bad habit developing into a big one. My examination of the statutes reveals that the delegation, that is the authority to make regulations under an act, was formerly worded in such phraseology as this: "the Governor in Council shall have the authority to make regulations necessary to the implementation of the provisions of this act." I would have no objection to that type of delegation where there is the limitation of the word "necessary". The requirement here would be that any regulation made be subject to proof in court or elsewhere that it was necessary to implement the provisions of the act.

The wording we now have most frequently is quite different. One broad type of reference usually goes in this manner: "The Governor in Council, on the advice of the minister, shall have the authority to make regulations which he deems necessary to implement the provisions of the act." There are worse phrases than that. I suggest to honourable senators that our committee should concern itself with whether this type of delegation is not the reason why we in Canada are in this unfortunate and regrettable position of having delegated authority so much more than other comparable jurisdictions. What sense does it make for an act of Parliament to say that the minister or the Governor General on the advice of the minister may make any regulation that he deems necessary? Perhaps my learned legal friends will tell me if the effect of this is not to take any question of validity under the act or regulations out of the courts altogether. I have not been able to find a case, perhaps there have not been any, but I would imagine that someone feeling himself and his interests affected adversely by a regulation might seek redress in the courts. If he sought redress I would think it would be on the grounds that the exercise of the power under the regulations was beyond the authority given by Parliament, that is, beyond the provisions of the act. Yet it seems to me that in this particular case the officials would say, "All right, go to court. When you go you will find we have the authority under this act to make any regulation that the minister happens to think is necessary to make the act work."

I suggest, therefore, that for this committee merely to examine the regulations and their administration as they stand will not get us very far. I suggest that the committee will have to go a way beyond this and think of the philosophy and psychology behind this kind of development. It is not unusual; we have examples of it over and over again. How does it happen? There is a fairly simple explanation. Public servants who draft these acts and, of course, have a great deal to do with the wording, are naturally concerned that they will have all the power they need to make the act work. I can understand that. On the other hand, those same officials will normally not have the same degree of concern for the public interest in the operation of the act that we would certainly expect Parliament to have.

We hear the word bureaucrat used in a derogatory sense, although it is not necessarily so in its own meaning. It is this practice that so often brings abuse on officials. They have this authority and they are going to exercise it. Sometimes, of course, the answer is given that all regulations are subject to scrutiny by Parliament or by the courts. I have indicated one of the cases in which that right of scrutiny might be removed from the courts. It is very seldom under ordinary circumstances taken away from Parliament. The Leader of the Government has pointed out that generally speaking under our present laws most of these regulations are tabled. There are some reservations, usually on grounds of national security or very special reasons, but even in these cases the fact of the non-disclosure is required to be reported to Parliament. Is there really the scrutiny of regulations by Parliament that is normally given to legislation in the ordinary sense? The answer is no, and, interestingly enough, in a document which is before this Senate at the moment, the supplementary Estimates, there are two rather interesting examples of the kind of abuse that this too free granting of power to ministers and the Governor in Council develops.

On page 8 of the supplementary Estimates, which I believe I am in order in using as an illustration at this time, there is a vote in connection with the operation of the Canadian Wheat Board. It is given certain power, notwithstanding the Canadian Wheat Board Act, but no power to make regulations. When the officials were before us they said, "we find it will not work this way; we are going to bring in some amendments to give us power to make regulations so that we can make this change in the act work." Senator Phillips (Rigaud) drew this to the attention of the committee this morning. Here is the extraordinary position of the law of Canada being amended by an appropriation act "notwithstanding" the general provisions of the act. That is not enough. Not only are they amending the act in this rather undercover way, but they now must seek authority to make regulations under this amendment to the act. This act of Parliament is being amended—not in this case by a $1 vote—but still by an appropriation vote. In addition they also have to seek the regulatory power even to make this work.

Hon. Mr. Martin: I always thought Senator Phillips (Rigaud) was a friend of the wheat farmer.

Hon. Mr. Grosart: I am quite sure that Senator Phillips (Rigaud) is a friend of every Canadian.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grosart: Certainly he has the respect of all those that I know.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Grosart: In raising this matter, Senator Phillips (Rigaud) was in no way attempting to curtail the interests of Canadian farmers in respect of Durum wheat. I rather doubt if he knows Durum wheat from any other kind of wheat. I certainly do not. However, we had honourable senators there who might have informed him and myself had this question arisen. That was not the point raised in the committee. The important point at issue was whether we are to keep on with this fiction of legislating by appropriations and by regulations under appropriations. If this question arose next week or the week after, I am sure there is not a lawyer in Canada who, with respect to regulations under the Canadian Wheat Board Act, would be able to advise his client that there are new regulations under an amendment to the act in an appropriation act. This is only one of the spin-offs. It is not the worst, but it is one about which the members of the legal profession are, I am sure, concerned.

Another example was brought to the attention of the committee by Senator Everett. Again, in case the Leader of the Government is about to intervene, I would say I am quite sure that Senator Everett has the interests of the farmers of Western Canada at heart too. He was not dealing with that aspect of the matter. The vote on page 20 refers to loans, investments and advances, and Senator Everett pointed out that here again by the backdoor method of an appropriation act a new crown company is being created. Without informing the public, without debating it in Parliament, we are forming a new crown company, and by this footnote, the fine print, in an appropriation act, we are giving power to the minister in effect to deal with very substantial sums of money "under such terms and conditions as the Governor in Council may prescribe."

Here is another case of a small bad habit growing and growing over the years, till we have this absurd situation of a crown corporation created in an appropriation act and given these wide powers without debate in Parliament, without discussion anywhere. I suggest

that this is a glaring current example of the great danger of the continued proliferation of this unusual Canadian phenomenon of too free delegation of powers.

I would further suggest, although this point was covered in part by the Leader of the Government in his opening remarks, that it will be necessary to do much more than look at regulations or other instruments that might have similar names.

In looking through some of the recent acts, the 1968 and 1969 statutes, I find all sorts of devices are used to grant extraordinary powers, very few of which will ever come under the scrutiny of Parliament. One example is a council, a committee, or a board of directors who are given unlimited powers to draw up and legislate their own by-laws as they deem necessary for the purposes of the act. This is a delegation of a delegation of power. This kind of delegated legislative power is never tabled in the house. The by-laws of any such corporation are not required by law to be tabled, because there is a precise legal definition of "regulations" which come under the governing statute.

Hon. Mr. Smith: I wonder if the honourable senator would give us a concrete example of what he has just been talking about. It is a new idea.

Hon. Mr. Grosart: Of delegation?

Hon. Mr. Smith: The council or board of directors. Does the honourable senator have a definite example of that?

Hon. Mr. Grosart: If the honourable senator will bear with me I might find one.

Hon. Mr. Choquette: Make one up.

Hon. Mr. Smith: I would not know the difference.

Hon. Mr. Grosart: I can tell the honourable senator that it is far from unusual. As a matter of fact, without looking at the acts I can give him some examples. The Board of Governors of the C.B.C. is a very good example. Another in its former status would be the Board of Management of Polymer Corporation.

Hon. Mr. Smith: I suppose the point is that all these things refer to crown corporations.

Hon. Mr. Grosart: They are not all crown corporations. Sometimes they are boards or councils set up under, say, a co-operative marketing act, and it is not itself a crown corporation. The same thing occurs, of course, in some bills incorporating private companies. The other day we had one concerning the National Farmers Union where the board of directors was given this same kind of power to do anything they deemed necessary for the purposes of the union. Senator Macdonald (Cape Breton) has just handed me a copy of this act to incorporate the National Farmers Union, wherein the board of the union—

> —may from time to time, make such by-laws, rules and regulations, not contrary to law, as it deems necessary or advisable for the due carrying out of the purposes and objects of the Union.

I might say that almost the same wording appears in bills setting up boards and councils, et cetera, and have been given this almost complete unlimited authority.

There are many other aspects of this legislation. I would certainly commend to honourable senators a careful reading of the House of Commons report, in particular the evidence, because some eminent authorities in this field did come before the committee in the other place. If I may just conclude with one more quotation, this time from Professor Mallory, head of the Economics and Political Science Department of McGill University, on the very matter which is the heart of the lack of scrutiny that is so often the result of excessive delegation of legislation. He describes the situation in these words:

> The department makes an order and it is communicated to the people who are affected by it. The department of Transport makes an order that affects the air lines, but nobody ever publicly discusses it in the way that a bill gets discussed before a parliamentary committee, so affected people can argue against it and the full weight of public information and public opinion be brought to bear. This is why parliamentary scrutiny of both form and policy provides a chance to focus, within the limited resources of Parliament, on a public issue without the full dress procedure of having to debate the bill every time.

I conclude by saying we can apply that to what would seem to me to be the most useful way for the Parliament of Canada to provide for the continuing and detailed scrutiny of delegated legislation, and that is to establish within the Senate a special committee with the necessary professional assistance.

Hon. Mr. Grattan O'Leary: Honourable senators, if no one on the other side wishes to speak, I would like to say just a few words. Someone once wrote that the difference between John Bright and Mr. Gladstone was that while Gladstone explored every inlet, Bright was content to sail from headland to headland. I am sure my friend Senator Grosart would be embarrassed if I likened him to Mr. Gladstone, and I certainly am not John Bright, but I would like to add a few general observations to the excellent speech we have just heard from Senator Grosart, who, with his zeal and industry, is able to do things which I would not attempt to do in this house.

I have been in Ottawa watching Government from a ringside seat for some 60 years under Prime Ministers from Sir Wilfrid Laurier to Mr. Trudeau. One of the things which has impressed me most and sometimes frightened me is the growth of the power of bureaucracy. Many books have been written and many speeches made about the growing power of the Prime Minister and that, I think, deserves the attention and thought of us all. But, much more has been written about the growing power of the executive when, in actual fact, the real power, the meaningful power, the dangerous power, has been in the growth of the bureaucracy. It has been the genius of British free parliamentary government that there must be countervailing forces to all agencies of power in the state. Thus you have in our judicial system the prosecution and the defence. You have in Parliament the ministerial power and the countervailing force of an opposition, one which we maintain as a structure of our parliamentary system, and we actually pay the Opposition Leader to examine and to oppose. But there has been no countervailing force in the matter of the power of the bureaucracy. Parliaments come and go, ministries rise and fall, but the bureaucracy goes on, goes on in increasing power and with less and less check upon that power.

We often hear and speak in this house about the role and the function of the Senate. Fifty years ago a great public man in this country, Sir Clifford Sifton, said that the real role of the Senate in days ahead would be to protect not only Parliament but the executive and the Government itself from the growing power of the bureaucracy. I think this is true. Let us take the example of a new minister in a new ministry, who goes into a department. Humanly, he knows very little, perhaps nothing, about the operations, the functions or the mechanism of that department. It is perhaps too often true that the bureaucrats in that department go to some pains to see that he does not learn too fast. I know of cases where this actually has happened.

I do not want to introduce partisanship into this debate, but it is true that when the Diefenbaker Government came into office in 1958 there were bureaucrats in those departments who identified their interests and their wishes with the cause of the Government they had been serving and who looked upon Conservatives as occupation troops, an evil that would pass and which they would have to put up with for the time being. It is true that in many cases these people did try to thwart and obstruct the work of the Government of Mr. Diefenbaker, but I fear they would try to obstruct and thwart the work of the members of any government.

This question has been under consideration in England for years. I am sure that all of you on the opposite side will remember the book written by Lord Hewart, a great jurist in England, called *The New Despotism* in which he pointed out and proved fairly strongly that the Government of Great Britain was rapidly passing from Parliament into the hands of the bureaucracy.

Honourable senators, it is because I was brought up to revere Parliament that I look with suspicion upon the growing power of the bureaucracy, a power exercised by people who may be dedicated servants of the state but who can be dangerously wrong.

I have not agreed entirely with some of my party who think that Mr. Trudeau is hacking at the foundations of Parliament by building up a bureaucracy of his own. And he has. He has some 22 or 23, perhaps more, perhaps 50, very able young executives surrounding him. I think what he has in mind—and I support him in this—is to build up a bureaucracy of his own to check the other bureaucrats. If that is what he is doing, then I support him with all my heart.

I have spoken in this house again and again about orders in council. The housekeeping of the Government of Canada, the administration from day to day, is carried on by orders in council. We are supposed to take a sober second look at Government acts and proposals. Do we take any second look, or any look at all, at what the Government is doing by orders in council? I know there are procedures by which any person may see an order in council, but I am told there are some 2,500 passed each year. We do not know if those orders in council conform to the power given

them by the statutes. And we have found case after case, notably in the Immigration Department, where persons have taken action which affected the liberties and the rights of individuals, by departing from the power given them by the statutes. This is a grave weakness in parliamentary government.

We read in the press every day that Parliament must get on with the business of the country, Parliament must stop talking—and yet that is what Parliament is about. Parliament is not a production line, to turn out law after law after law. Parliament is a place where you not only must pass good and considered laws but where you must prevent the passage of bad laws.

That is why Parliament is so important. It was created in the first place to check the Queen's estimates, or the King's executives, if you will. That is the primary function of Parliament, to check the acts and the actions and the proposals of the executive. When Parliament is not doing that, when its members are not crying out for redress of grievances, when they are not crying out for the rights of the individual, for the dignity and worth of the individual, then Parliament is not performing the task for which it was created in the first place.

"More laws!" they say—"make Parliament a production line; stop the question hour; stop asking questions!" Honourable senators, the best hour, the most potent, the most useful hour in Parliament is, or should be, the hour to ask questions. I wish there were more questions asked in this house, because we have a leader here now with a vast experience of Government, who sat in many cabinets. He knows their value and he knows their difficulties. We should ask him and question him and embarrass him if possible, whenever we can, about whatever is going on in Government.

Hon. Mr. Flynn: This is a problem. If we wanted to do only that, this would be the proper way; but, in the way the leader answers he would take all the time of the Senate.

Hon. Mr. O'Leary: There is something in that. I myself asked a question today, and I watched with admiration the way he answered,—or did not answer—me.

My point is that Parliament, after all, does not rule by itself. Parliament rules through the people, and the people have a means of holding Parliament to accountability. But there is no way by which the people can hold the bureaucrats to accountability. This must be done by Parliament itself. We have got to find out what these young, able, dedicated men are up to. Who knows today? Who knows the author of the White Paper which is stirring up so much controversy in Canada? No one knows for sure.

How is the average minister to know whether his able young bureaucratic advisor is giving him the right advice? He does not know. He has to accept that advice and digest it as best he can, and bring it before his cabinet colleagues and explain it as best he can. This is why we need a countervailing force to see to it that the bureaucrats are not running away with the Government of Canada.

This is not our system, that is not what we intended when we kicked the Crown out of our councils. We intended Parliament to rule, and Parliament is not ruling.

My friend Senator Grosart mentioned crown companies. We have a veritable sprawling empire of crown corporations. Does any member of this house actually believe that the actions of these crown companies, the day-to-day operations of these crown corporations, set up by our money and spending our money, are the right actions?

It is true that their books are audited, but who really looks at the operations of those companies? Some of them have been good and some of them have been bad, but I submit to you that we do not know, we do not supervise what is taking place in a crown corporation, or whatever you call it, such as the Canadian Broadcasting Corporation.

We do not know what the Film Board is doing. It is all right to read that they won prizes in Europe or America or somewhere else. What are they doing for the education of the youth of Canada? What are they doing in our schools? This is the test of an organization such as the Film Board.

As for the C.B.C., I could speak to you for hours and hours on end about the shortcomings of the C.B.C. Let me give you an example. A few minutes ago the leader told us what the Prime Minister said last evening about the Senate. I was delighted with what he said, although I felt like asking him, "Why don't you appoint more senators to the vacancies—now 15 of them?" But he did speak glowingly and eloquently and with great power of the place of the Senate in Canada. Not one word of that speech was reported on the C.B.C., which purports to give people

information about what is going on in Canada. And I am sorry to say not a word appeared in the morning newspapers.

Hon. Mr. McDonald: They were down in the boutique.

Hon. Mr. O'Leary: No, they were up in the coffee shop, interviewing the man who wants to reform the Senate, Mr. Stanley Knowles.

Hon. Mr. Flynn: Who is that?

Hon. Mr. O'Leary: Honourable senators, I do not intend to go any further, but I hope this new body can do something that will be meaningful and useful and effective in returning the Government of Canada to the Parliament of Canada.

Hon. Mr. Lamontagne: After that very eloquent speech, I should like to move the adjournment of this debate.

Hon. Mr. Martin: Unless some other senator wishes to speak now.

Hon. Mr. Flynn: There will be another one.

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

The Senate adjourned until Monday, March 23, at 8 p.m.

THE SENATE

Monday, March 23, 1970

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

Prayers.

TRIBUTES

THE LATE HON. J. WESLEY STAMBAUGH

Hon. J. Harper Prowse: Honourable senators, I rise to draw to the attention of this house that last Friday evening the Honourable John Wesley Stambaugh, formerly a member of this house, passed away at his home in Victoria, British Columbia. I wish to advise honourable senators that the funeral will take place in Edmonton, Wednesday next at 1 p.m.

Many of you will remember Senator Stambaugh because he was summoned to this house on September 7, 1949 and resigned in June 1965. He was the first senator to retire under the provisions of the Retirement of Members of the Senate Act, 14 Elizabeth II, 1965, chapter 4, which allowed members of the Senate to retire at the age of 75.

Those of you who were here during those particular years will recall that Senator Stambaugh was one who took a leading part in the passage of that measure because it was his opinion that the people of Canada and the interests of the Senate could best be served by limiting the term of service of senators. I make that statement merely to repeat what his thinking was, and not in any way to reflect upon those who have passed the age of 75 and who still sit as members of this house, and who make great contributions to the welfare of the people of this country.

John Welsey Stambaugh was a very unusual Canadian. He was perhaps a stereotype of the Canadian of the past. He was unusual because of the fact that he was born in the United States, and was brought here at an early age. He came to western Canada in 1905 at the age of 17, and there began his career. Over a long period of time he became very successful as a farmer and businessman. However, from his earliest arrival in this country he was associated with the Liberal party and the men who in the early days represented it in western Canada. These were such men as John Oliver, the Siftons and later James A. MacKinnon from the City of Edmonton. It may be said of him that he was a man of loyalty, but of all his loyalties the most deeply felt and the most consistently served was that to the Liberal party. He was incapable of distinguishing between what was good for the Liberal party and what was good for Canada, because during his long period of service he made it his business as far as he was able to see to it that what the Liberal party stood for was what was good for Canada.

Whether one agrees with a man in all his beliefs—and I happen to agree with Senator Stambaugh in all with which I knew him to be associated—one must realize that loyalty to one's country is something that perhaps we do not sufficiently explain and sell today. It does not matter to what party a man belongs as long as he deeply believes in the goals he attempts to achieve and the interests of the people he hopes to serve.

Senator Stambaugh became President of the Liberal Party in Alberta in 1945. The party had been out of office in that province from 1937, in a futile association with the Conservative Party in an attempt to beat the Social Credit Party. In 1945 the feeling was that the Liberal Party should get back into business and stand on its own two feet. As president, Senator Stambaugh was given the job of putting the party back into business. Then, for good or ill, for my benefit or otherwise, I do not know, by 1947 he persuaded me that I should seek the leadership of the now to be rejuvenated party. I sought that leadership and succeeded in being elected. By 1955 we had moved from a position of having no seats to having 15 Liberal seats, and three others who were in the caucus and had been elected with our support, who perhaps did not help us as much as they could because they sat as Independents of one kind or another.

Wes Stambaugh did not have the opportunity to receive the kind of education available to young people today. But he had been taught to read, and from then on, with courage and initiative, he had the sense to educate himself. He was a man who did not sleep much. I spent a great deal of my time with him. He could talk until two o'clock in the morning on a political problem. Then he would get you out of bed at 5.30 in the morning because he thought you had had enough sleep and it was time to start discussing the problems of the day. I do not think there was a question of importance to the people of Alberta or to the people of Canada that anyone could raise that he could not talk about intelligibly. He was an avid reader. He

also enjoyed discussing and talking to people, because he liked people.

Senator Stambaugh was a great sportsman and fisherman. I remember in the early fifties being persuaded by him to go on a fishing trip into the Rockies. Although he was 25 years older than I, at the end of three days we had a large catch of fish, and all I needed was a place to lay my weary head while all he was looking for was a solid block on which to clean the fish.

Senator Stambaugh was a tremendous man. Above everything else he had what perhaps can be described as the gift of curiosity. He was not only concerned about the country in which he lived, but was curious about everyone he met and why they acted and thought as they did. All of his life he had been asking very penetrating questions.

He was sick for about six weeks before he died from the flu. His family tells me that he went downhill rather rapidly. But I would guess from what I know of him that he would meet death as he had lived with life and that his primary concern would be what new experiences would be waiting for him beyond the grave.

Hon. Walter M. Aseltine: I did not know our former colleague, Senator Stambaugh, politically or otherwise, prior to his coming to the Senate in 1949, but I found him to be a very capable senator, particularly when I was Leader of the Government in the Senate following 1958. I had met him previously out in the open spaces where I soon learned that he was an enthusiastic and successful fisherman. In fact, time and time again he would return from the Gatineau hills and areas north of there with large catches of Northern Pike, Small-Mouth Black Bass and Walleye. He was not at all selfish, because he always gave some of the fish to those of us who had not been able to be in the country. I, for one, appreciated his generosity in this respect, though I usually had quite good success myself.

After Senator Stambaugh resigned I was in British Columbia on a salmon fishing excursion of my own. I found out where he was residing, and my wife and I, along with some other friends, called to see him. We had heard that he was not very well. In fact, when we saw him on that occasion he was suffering severely from sciatica and was scarcely able to move. We had a good visit with him and I understand that he recovered somewhat after that.

Honourable senators, before Senator Stambaugh became a senator, he was a pioneer farmer in the Province of Alberta. As has been stated, he came to Canada from the United States as a young man. Very few people know that he was a pioneer, in that he filed on an Alberta homestead, lived on it and proved it up and obtained the title to it.

I do not know anything about his political career in Alberta, but I always found him a reasonable man in the Senate, especially in committees. He was faithful in attendance at those committees of which he was a member.

I am sorry indeed that Senator Stambaugh has passed to the Great Beyond, and I hope that many of us will write to his dear wife and send her our condolences.

Hon. Lionel Choquette: Honourable senators, it has been the custom in this chamber, and a good one, to pay tribute to senators who have passed away, although they were no longer active in this Senate.

During the few years I had the pleasure of knowing Senator Stambaugh, I found him to be a good-living citizen and, unlike what we have heard this evening, I always found him above pettiness and above politics.

In 1961, I was a member of the Interparliamentary Group which went to Brussels. Senator Stambaugh was my closest travelling companion. Although he had reached a certain age, and had had a serious heart attack, his doctor had told him that he was in A-1 condition and there was no danger in undertaking this trip. We had scarcely arrived at the Plaza Hotel, where the Canadian delegation was to stay, when he suffered a very serious heart attack. He was located next door to my room, and he knocked on my wall and I got his signal. I went to see him and I had to summon a doctor to his bedside. The doctor came immediately and took a cardiogram. I interpreted for Senator Stambaugh for the ten days we remained there. He was unable to leave his room.

Honourable senators, that is an experience that would bring one close to a man. I had become one of his closest friends, and I would not have hesitated to accompany him on any fishing trip. He and I had at least one thing in common—we were ardent fishermen.

I knew Senator Stambaugh to be a fine man, and a great humanitarian. On behalf of the Leader of the Opposition and of this group, I offer to all the members of his family our sincerest condolences.

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain Acts that provide for the payment of those pensions.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. John J. Connolly: Honourable senators, notwithstanding Rule 44(1)(f), which requires two days' notice be given for second reading of a bill, I would ask that the Senate give unanimous consent to move second reading of this bill this evening because of the imminence of the recess.

The Hon. the Speaker: Is it agreed that honourable Senator Connolly move second reading now?

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West), with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, I understand that copies of Bill C-194, have been distributed. This bill has been slightly amended, but with the kind of explanation I propose to give, I feel that it would be a rather futile exercise to attempt to follow the bill owing to the fact that it involves many changes in various acts. It seemed to me, therefore, that it would be far more intelligible to honourable senators, and certainly a lot easier for your humble servant, if I were to discuss the bill in general terms, inform you what its effects are, and then move that it be sent to a committee where a detailed, section-by-section examination of its provisions could be undertaken. I will undertake to send it to a committee.

Despite my suggestion that reference to the bill would be futile, nevertheless, I am first going to refer to the bill. Schedule A, at page 39 of the bill, lists the various persons or groups to which the bill applies. That list includes in numerical order from one to six the following persons or groups: The Governor General; Members of Parliament; members of the Senate; judges; non-career diplomats—other diplomats covered by the Public Service Superannuation Act. The Public Service itself comprises items six to ten; the Canadian Armed Forces, items 11 and 12; the Royal Canadian Mounted Police, 13 and 14; and the employees of the Mint, 15.

Perhaps honourable senators would be interested to know that until 1930 the employees of the Royal Canadian Mint and their pension rights were covered by an act of the Parliament of the United Kingdom. All those persons have since retired. The last one retired, I understand, in 1969, but the pensions they get under that act are affected by this bill.

Generally speaking, this bill would increase the pensions now provided by law. There are some other general provisions in the preliminary part of the bill to which I should make reference. The preliminary part deals first with the amount of the increase and also with the accounting procedures required to make these increases effective. Furthermore, it deals with the persons who will receive the increases. Broadly speaking, they are pensioners of 60 years of age or over. Those pensioners below the age of 60 years will continue to receive pensions at the rate of payment they now receive until they reach their sixtieth birthday, and thereafter they will qualify for the increases provided for in this bill. However, disabled persons under the age of 60 and the survivors of pensioners will receive the increases provided for by this measure, regardless of age.

I should tell honourable senators next that the increases provided for in the bill will become effective on April 1 this year, but there will be variations in the amount of benefit in accordance with the date of retirement of the pensioner. For this reason I have caused to be distributed to honourable senators a sheet of foolscap headed "Percentage Factors Derived from Schedule B of Bill C-194". This looks like a formidable document, and certainly without explanation it would be rather incomprehensible. Actually, it is a very simple document. All it says is that a man or woman who retired in 1952 or earlier will now receive, because of the increase in the cost of living since that date, an addition to his or her pension of 42.8 per cent. Honourable senators will see that it is graduated down, say, to 1960, and for persons who retired in that year, the increase in the rate payable will be 22.4 per cent. Looking at

the bottom of the page, honourable senators will see that a man or woman who retired in 1969 will receive an increase in pension of 2 per cent. Generally speaking, the increases in the percentage of pension provided in this measure have been based on the increases in the cost of living since 1952. The ceiling is the percentage derived from the Canada Pension Plan increase which is 2 per cent.

By way of summarization, the bill proposes to increase the amount payable to pensioners who have been on pension since 1952, or earlier, up to the present time by the amount by which the cost of living increased year by year. That is the significance of the extra sheet, honourable senators, which you may now discard.

On first inspection, Schedule B is perhaps difficult to understand, but it too bears a simple explanation. Say the cost of living in the year 1970 is 100, then in 1952 the cost of living was 70.03. This is an index only, and the schedule shows the increases in the cost of living since 1952, again with the 2 per cent ceiling under the Canada Pension Plan which has been applied.

The increases which are contemplated to be made to the pensions are without the deductions that are applied for hospital insurance premiums, income tax and whatever other deductions are normally made from pension cheques.

Clause 7 of the bill contains this important provision: Every pensioner or his estate will draw as a minimum the amount he has paid into this fund, without interest.

This was not provided in the bill passed in 1965 with respect to retirement of senators. I do not think it applied to the Members of Parliament Retiring Allowances Act either. It is a good provision because there are members of the other place and senators who will not have been able to serve the full six years required before a pension or the increase becomes operative, and if they do not serve again in Parliament, then at least they or their estate will have the return of the amount they have paid in.

There are appropriate accounts established in the preliminary part of the bill. The account covering the increases to be paid on these various types of pensions will be called the Supplementary Retirement Benefits Account.

I think that is all honourable senators would really care to know about the general provisions of the bill.

May I deal next with the Members of Parliament Retiring Allowances Act. This benefits some honourable senators who come under that act because of their service in the other place. The present members of the House of Commons can elect to join the new plan within a year and to pay for prior service—that I will explain in a moment. Future Members of Parliament and former Members of Parliament who become members again at some future time will join the new plan automatically. In other words, it is a compulsory plan from now on.

The contributions are an important factor. A Member of Parliament who elects to come under this plan must contribute 7½ per cent of his indemnity, which is presently $12,000, plus his tax-free expense allowance of $6,000. This can be done for his current service and for the entire present session. The additional contributions for service back to the opening of this session can be paid off by the member in instalments. A member can elect to contribute in a lump sum or by instalments at the rate of 7½ per cent of the sessional allowance plus his indemnity, at any time for the period since April 8, 1963, with interest. That date is important because that was when the indemnity was increased from $8,000 to $12,000. So, he can pay on that back service, if he has been in the house during that period, at the new rate of 7½ per cent. Interest is payable on past service contributions.

Honourable senators, I must apologize. I am a little ahead of myself, but perhaps I may come back later to the point I have missed. I will continue to talk about the position of the members of the other house.

In addition to the 7½ per cent which the members will pay on their indemnity plus the expense allowance, they will pay for the additional benefits provided in this bill a further one-half of 1 per cent, starting on April 1, 1970. In other words, a Member of Parliament will be paying 8 per cent on $18,000, which comes to $1,440 a year. Under the present act he is paying $720. A minimum period of six years as a member would be required to qualify for the pension benefits provided under this bill. Otherwise a return of contributions, without interest, is payable, as I have already mentioned.

What are the benefits? What are the additional advantages that flow from the increase in the amount of the contributions stipulated?

First, I should say that the benefits would be payable immediately upon retirement, based on the average of the indemnity and

expense allowance received over the best six years of the member's pensionable service. Perhaps it would be easier were I to illustrate these benefits with figures.

In the first 10 years, assuming that the indemnity plus the expense allowance is $18,000 and remains at that level, each member would get $630 for each year; or, in 10 years a total of $6,300-worth of pension benefits will have been built up. For the following 10 years his pension entitlement would increase by $540 a year, for a total of $5,400. Then for a five-year period, if he should remain in the house so long, he will build up his entitlement to further pension at the rate of 2 per cent, or $360, for each of those five years, or a total of $1,800. The total of those three amounts for the first ten years at 3½ per cent, the second ten years at 3 per cent, and the next five years at 2 per cent, is $13,500.

The maximum that a member could receive is 75 per cent of his best six-year average. If the indemnity plus the expense allowance remains at $18,000, then within 25 years he shall have reached the maximum of $13,500, and his payments stop.

Hon. Mr. Aseltine: How many will be in that category?

Hon. Mr. Connolly (Ottawa West): I cannot say, but I do not think there are many at the present time. The honourable Leader of the Government in this house is one, perhaps the Chairman of the Special Committee of the Senate on Poverty is another, and Senator White is another. There is a small club which knows pretty well who its members are, but there are not too many left. The Right Honourable John Diefenbaker and the Honourable George McIlraith are two more.

Hon. Mr. Haig: There are about seven.

Hon. Mr. Connolly (Ottawa West): Thank you. An honourable senator over here says it is not a bad club, and I would agree.

I am going to put on the record this information, that before 1953 when the indemnity was $4,000 a session the contribution of a Member of Parliament to the pension fund was 6 per cent, or $240. Between 1953 and 1963 when the indemnity reached $8,000, the rate of contribution was 6 per cent, or $480 per year. From 1963 on the rate will be 7½ per cent if the options are exercised. The contribution of 8 per cent on $18,000 will be $1,440 per annum for an M.P.

Honourable senators might well ask about the taxability of the contributions for past service. I should say immediately that the Income Tax Act does provide that it is permissible to make a contribution of $1,500 for prior pension service each year without attracting tax, and a contribution of $1,500 for current service without attracting tax. The money that is paid in, for either prior or current service, under this provision of the Income Tax Act will be taxable only when the pensioner takes the benefit of it.

In addition to the benefits which are provided by the act for the pensioner, there are also survivor's benefits, and these are very important. Sixty per cent of the member's pension entitlement goes to the widow or widower of the pensioner. In addition, if there is a surviving parent, 10 per cent of the member's pension entitlement will go to each child up to a total of three children. If there is no surviving parent, then 20 per cent of the member's pension entitlement will go to each child up to a total of four. A child's benefit to the pension will continue to age 18, or to age 25 if the child is still being educated.

In the case of a member who decides not to come under the new plan I think the difference will be that he contributes on a sessional indemnity plus his expense allowance at the rate of 6½ per cent.

Hon. Mr. Croll: I thought the honourable senator said it was compulsory.

Hon. Mr. Connolly (Ottawa West): The plan is compulsory, but you do not have to pick up your past service.

Before I come to the situation in respect of senators, which perhaps is the least part of this bill, I want to retrace my steps and interject here some remarks that escaped me as I was turning over my notes.

Under this measure there will be no contributions towards these increases from the Governor General, from the judges, and from the people under the old acts. By "the old acts" I mean the old civil service superannuation acts which are no longer available to people in the Public Service, but under which there are people on pensions who are entitled to increases. No contributions will be required from anybody that might conceivably be covered by those acts.

I should also say that Professor Curtis, the Dean Emeritus of Queen's University, made a report about these pensions, of which honourable senators have received copies. Broadly speaking, the recommendations of the Curtis Report are contained in clauses 13 to 25 of this bill. Most of Professor Curtis's recom-

mendations were adopted, but there were certain exceptions. He recommended, for example, that the pension of M.P.'s should start at age 55 and that the contribution should be 7 per cent. The bill provides, however, that an M.P. can retire at any time after serving six years, and that the rate of contribution shall be 7½ per cent.

Another provision I should have mentioned—it applies to only a few of us—is that ministers, leaders, speakers, and others who have extra indemnity, can pay even retroactively at the rate of 7½ per cent on that extra indemnity, and thus shorten the period of time over which they have to pay the 8 per cent.

I might say that this will not apply in my case, for example, because while I did receive extra indemnity while I was a member of the Government, I was under the Retirement of Senators Act which was passed in June of 1965. It applies only to persons who are under the Members of Parliament Retiring Allowances Act, and not to those who are under the Retirement of Senators Act. I am not saying that by way of criticism or to suggest that an amendment be made in my favour!

I hope honourable senators will not ask me about specific situations or individual cases. Perhaps I should set up a law office with one of the experts from the department. For a good fee we would be happy to advise what an individual's position is. If I do not do that, I am sure that there will be some expert who will do it. I have not even calculated what my own position will be. Every individual will have to consider the provisions very carefully and see how they affect him.

With reference to senators' pensions under Bill C-194, I should refer to the Statutes of Canada, 1965, 14 Elizabeth II, chapter 4, Retirement of Senators Act, which was passed in that year. I do not intend to review the provisions of the act. However, I will discuss senators who are under a life tenure, namely, those who were appointed before June 2, 1965. In the case of such senators, those who are beyond the age of 75 years will be given an additional opportunity to resign on a pension if they do so before April 1, 1971, a year from the coming April 1. Those who are under 75 can provide widows' annuities in the event of their death before 75 by giving notice of their intention to resign from the Senate upon attaining their 75th birthday.

Honourable senators will remember that under the old act the actual age for retirement for what I facetiously call the lifers was actually the 76th birthday. Under this option if they give notice within the year before April 1, 1971 that they intend to retire at 75 years of age there is a guarantee that if they should die before that period has elapsed their widows will receive the pension. In my opinion this is a very helpful provision.

Senator Choquette: What type of pension will it be and how much?

Hon. Mr. Connolly (Ottawa West): Do you mind, Senator Choquette, if I come to that very shortly. I would like to put one or two other general observations on the record. As a matter of fact, I am coming to your point now. There is provision for an improvement in the widows' pensions and for a minimum benefit of return of contributions, which I have already mentioned. The widow's benefit at the present time is two-ninths of the sessional indemnity paid to the senator at the time his annuity is granted, which amounts to $2,667. There is a provision in the bill which increases the widow's pension to a maximum of $4,000, which would require contributions of approximately 18 years service in the Senate.

The widow's benefit is as follows:

(a) two-ninths of the sessional indemnity payable to the Senator at the time the annuity was granted to him, or

(b) the lesser of

(i) thirty percent of the amount the Senator contributed to the Consolidated Revenue Fund

(ii) one-third of the sessional indemnity payable to the Senator at the time the annuity was granted to him,

whichever is the greater.

This is pretty bad verbiage but, as I say, the minimum pension to which a widow or widower is entitled is $2,667. It can increase, depending upon the number of years of service, to a maximum of $4,000 for the widow. If the indemnities should be increased at some time there would be a proportionate increase in these benefits.

Some of our colleagues are under the Members of Parliament Retiring Allowances Act and one enjoys a life tenure. All those appointed since June 2, 1965, are under the Members of Parliament Retiring Allowances Act. The lifers pay from now 6½ per cent of $12,000 into the pension fund. Those who must retire at 75 years of age will pay 6½ per cent of $15,000, which is $12,000 indemnity plus $3,000 expense allowance, with corresponding benefits. Present members of the Senate under the Members of Parliament

Retiring Allowances Act can elect to join the new plan within a year. Repayment may then be made for prior service. All who are hereafter appointed to the Senate will automatically join the new plan.

A senator who elects to come under the new plan must contribute 6 per cent of the sessional allowance, plus the expense allowance for current service and for the duration of the present session. Additional contributions for service since October 23, 1969, the day upon which this session began, can be paid by instalments as provided in the bill. A senator can elect to contribute in a lump sum or in instalments at the rate of 6 per cent of his expense allowance received since June 2, 1965, with interest. The reason is that there are persons under this act who have been paying only on their indemnity. They can now pay on the expense allowance they have received since June 2, 1965, for which they receive an additional benefit in proportion to the additional contribution they make. Interest is payable on past service contributions. A senator receiving an additional salary or allowance may contribute up to 7½ per cent of that salary received in any year, thereby obtaining a larger pension for the same period of service and shortening the time required to obtain the maximum pension. This would apply to both current and past service in earlier Parliaments. Interest, of course, is payable on past service contributions and, as in the Members of Parliament Retiring Allowances Act, an additional one-half of one per cent is payable for the pension increase.

In order to be eligible to receive the benefits under this act, senators must serve a minimum period of six years, failing which return of contributions without interest is payable. In other words, if a senator must retire within the period of six years he will have paid in a certain amount of money at the rate of $720 per year. On his retirement this amount will be recovered. This is a new provision. The benefits provided by the bill under the Members of Parliament Retiring Allowances Act are payable immediately, based on the average of the sessional allowance and the expense allowance received over the best six years of pensionable service.

Perhaps it would be helpful if I put this on the record, though it repeats the formula for Members of Parliament. The rate for a senator is 3 per cent on $15,000 or $450 per year. The overall maximum he can receive is 75 per cent of the best six-year average, which is $11,250 after 25 years. This is considerably better, of course, than the amount of $8,000 received by a senator with a life tenure. These computations are based upon the present indemnity plus expense allowance.

In the calculation I have just given, a year of pensionable service will be credited each time a senator contributed 6 per cent of the sessional allowance plus expense allowance received since April 8, 1963. At the present time this would mean one year's pensionable service for every $900 contributed as a senator.

Survivor's benefits under this bill for the senator are the same as those for the Member of Parliament: 60 per cent of the member's pension entitlement to the widow or widower. If there is a surviving parent, 10 per cent of the member's pension entitlement goes to each child, up to three children; if there is no surviving parent, 20 per cent of member's pension entitlement for each child up to four.

I have probably succeeded in confusing honourable senators completely on what this measure means. This I can well understand, because it is obviously pre-eminently a bill for committee. It is not a bill in respect of which the precise position of each honourable senator can be given. As a matter of fact, it is rather difficult to analyze what the position of the Member of Parliament is or the position of the civil servant, but generally speaking I think the sheet I have passed around to honourable senators indicates the percentage of increase in pensions for those who are Members of Parliament or not. For those who are Members of Parliament there are these special provisions, over which I have perhaps taken too much time.

I can summarize this by referring first to the situation of senators appointed before June 2, 1965, who did not elect to contribute under the Members of Parliament Retirement Act. These are persons enjoying the life tenure. A senator of 75 years or under can retire on account of age, if he resigns within a year of attaining the age of 75, and receive a pension of $8,000 per annum for life. He may retire on account of disability before attaining the age of 75 and be eligible for a pension of $8,000 per annum for life. If he should die, under the present act passed in 1965 his widow would get a benefit only if he were on retirement. Under the new bill, if before April 1, 1971 he indicates in writing his intention to resign on attaining the age of 75, his widow—or the widower—will be entitled to receive the survivors benefit of the pension. Senators who are now 76 or over can at the present time retire, if they are disa-

[Hon. Mr. Connolly (Ottawa West).]

bled, and receive a pension of $8,000. Under this bill they can retire and receive a pension of $8,000 on account of age alone, if they do so before April 1, 1971. They are given a second chance.

On the question of death, for senators now 76 years or over, under the existing law the widow's benefit is applicable only if the senator has retired and is receiving an annuity. Under the proposed change, the widow's benefit will be granted on the resignation of the senator either because of age within the year or because of disability. The amount of the widow's benefit under the present law is $2,667, and is fixed at that amount. Under the proposed new law it can increase, and after some 18 years of contributory service it can reach a figure of $4,000. The minimum benefit in any case is a return of contributions.

Hon. Mr. Lamontagne: Without interest.

Hon. Mr. Connolly (Ottawa West): Without interest.

For senators who are contributing under the Members of Parliament Retiring Allowances Act, the contribution at the present time is 6 per cent of the indemnity, or $720 a year. Under the proposed bill it will be 6 per cent of the indemnity plus allowance, or $900 a year. The eligibility for immediate annual allowance under the present act requires them to have served in three parliaments. Under the proposed legislation they will be entitled if they serve six full years as a Member of Parliament. The senator's allowances under the present law increase at the rate of $300 a year since 1965. Under the proposed new law they will increase at the rate of $450 a year commencing October 23, 1969.

Previously, senators receiving additional salary or allowances for additional duties had no right to pay on those back services. However, under the present law they can do so at the rate of 7½ per cent. The maximum allowance for senators under the Members of Parliament Retiring Allowances Act now is $9,000. Under the new law it will be 75 per cent of the average indemnity plus expense, over the highest six years. This will amount to slightly more than $11,000.

The widow's allowance, which is 60 per cent at death, will remain the same. Under the present law there is no provision for children, but under the proposed one there will be.

Honourable senators, that is the best explanation I can make of a very complicated bill. If it receives second reading, I will recommend that it be referred to the Standing Committee on Banking, Trade and Commerce.

Hon. J. Campbell Haig: I am sure the house appreciates the difficult position of Senator Connolly in explaining this complex bill, with its many different applications. Some have been members of the House of Commons and retired from that place and some are lifers—a term which I do not like to use. Those appointed for life, I think is a better expression. Then, there are those who are subject to compulsory retirement at age 75. I do not think Senator Connolly would have the answer to the question I have in mind at the moment.

I give notice now that when the bill goes to the Standing Senate Committee on Banking, Trade and Commerce, I shall ask why a present retired member of the House of Commons, who now happens to be a member of the Senate, and is entitled to the pension and is receiving it, cannot have the election or the option which is given the former members of the House of Commons, who are entitled under the House of Commons Retirement Act. I understand from a quick glance that there are 177 pensioners.

Hon. Mr. Croll: I think you are mistaken.

Hon. Mr. Haig: I might be wrong, Senator Croll. I received this bill a little earlier than you did, and I took a quick glance at it.

All I am asking of the sponsor of the bill is that when it goes to the Banking, Trade and Commerce Committee, if he would give the number of the members of the Senate who were entitled to a pension under the House of Commons Retirement Act. From a brief glance this afternoon, I understand it is about seven or eight. I would like that information.

As I understand it, a former member of the House of Commons who is a member of the Senate has the right to elect or take up the option of paying back a certain amount of money which would entitle him to a larger pension, whereas a former member of the House of Commons who is not a member of the Senate does not have that right. My suggestion to the sponsor is that when he discusses this with his officials and Senator Croll, who will probably give a good deal of information to the committee, that he ask why in equity you differentiate between those former members of the House of Commons who are entitled to make this selection or option and those who are not.

When we go to committee I would like some information from the officials of the department, along with the advice and consent of Senator Croll, who will certainly direct us according to the right way of doing this.

Hon. Mr. Croll: May I just indicate for the honourable senator that I have been working with this bill since October 29, as have Senators Bourget, White, Choquette and Everett. We know something about the bill and helped formulate it, so do not get hot.

Hon. Mr. Haig: I am not getting hot; I am just asking for information. I just got the bill this afternoon. I mentioned the figure 177 and I was slapped down. I may be incorrect, admittedly, but I understand there are about seven or eight senators in this house who have the option, while certain other members of the House of Commons have not that right and I am asking why.

Hon. Mr. Connolly (Ottawa West): Honourable senators, a member of the Senate, who has formerly served in the House of Commons and is still serving in Parliament and has not retired, has the option to pick up service if he is under the Members of Parliament Retiring Allowances Act. He is continuing to serve his country in Parliament. The other man retired, perhaps voluntarily—

Hon. Mr. Haig: He retired.

Hon. Mr. Connolly (Ottawa West): He retired on the pension that he was entitled to receive at that time. His pension will escalate at the 2 per cent provided in the bill.

Hon. Mr. Croll: The bill did not recommend that.

Hon. Mr. Connolly (Ottawa West): The rule is that he is caught with the pension that he was entitled to receive at the time he retired. I suppose the thinking was that most people in that category were able to provide otherwise for themselves and did not have to rely upon a pension. However, I think that Senator Haig's suggestion that this is a good committee question, is very germane. I would suggest that it be raised in committee, along with a lot of other questions.

Hon. Lionel Choquette: Honourable senators, on behalf of the Leader of the Opposition, I would like to adjourn this debate. His plane was grounded in Quebec City due to a snow storm. He communicated with me and said that he would be ready to proceed, and he understands as I do that the Senate will sit tomorrow.

Hon. Mr. Martin: The committee will meet tomorrow, following the sitting.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I had suggested that the bill go to the Standing Senate Committee on Banking, Trade and Commerce. I am reminded that under the rules it must go to the Standing Senate Committee on Health, Welfare and Science. Subject only to that, I will recommend that the bill be sent to committee.

On motion of Hon. Mr. Choquette, for Hon. Mr. Flynn, debate adjourned.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a statement, dated March 19, 1970, regarding the appointment of Jean-Louis Gagnon, Esq., Director of Information Canada, effective April 1, 1970.

Copies of a Report entitled "A Proposed Sports Policy for Canadians", dated March 20, 1970.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B)

Hon. T. D'Arcy Leonard, Chairman of the Standing Senate Committee on National Finance, to which was referred the Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1970, presented the following report:

The Standing Senate Committee on National Finance, to which was referrred the Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31st, 1970, has in obedience to the order of reference of March 5th, 1970, examined the said Estimates and reports as follows:

1. Your Committee has heard evidence with respect to the said Estimates from Mr. J. L. Fry, Assistant Secretary, and Mr. Bruce MacDonald, Director General, both from the Treasury Board.

2. The said supplementary Estimates provide for expenditures of $215,967,147 and for Loans, Investments and Advances of $41,614,752, bringing the total of main and supplementary Estimates for the cur-

rent fiscal year to $12,140,065,176 and the total of Loans, Investments and Advances to $676,032,812.

3. Included in the said Supplementary Estimates (B) were thirty items of one dollar each. It has been customary for your committee to scrutinize such items closely and this has again been done. The committee was supplied with a list containing an explanation on each item. Eight of these items are legislative in nature. Your committee reiterates its concern about the practice of making statutory changes by means of Appropriation Acts based on supplementary Estimates. There may be instances of minor importance, or of special urgency where this method could be justified, and it is the practice now of the committee to obtain full information as to these items. Attached to the printed report of the proceedings of the committee will be the list with the explanations.

4. The practice of amending statutes through one dollar items can lead to the same practice on other items involving substantial expenditures, thereby bringing about changes that are also legislative in character that should properly be brought about by substantive statutes rather than by Appropriation Acts. Of such a character in these Supplementary Estimates (B) is Vote 17b of the Department of Agriculture, a grant of $100,000,000 for payments to be made in the fiscal year 1970-71 for purposes of wheat acreage reduction, this vote being the largest single item in the supplementary Estimates and representing nearly one-half of the total amount of the Estimates. Your committee is not critical of the purpose for which this sum is to be used, nor of the amount of the vote, but it is strongly of the view that the importance of the subject matter and the extent of the changes intended to be brought about in so essential a part of the Canadian economy as is constituted by our wheat producers, require the usual and proper method for Parliamentary action, namely, a substantive bill with all the appropriate clauses setting out the intended purposes of the legislation and going through the required readings and debates as prescribed by the Rules of the respective Houses of Parliament. Furthermore, while the Vote is included in the supplementary Estimates for the fiscal year 1969-70, the committee points out that the expenditures to the producers will be incurred in the 1970-71 fiscal year, and subsequently, and this again is a practice of doubtful propriety in the opinion of your committee.

5. Your committee is further of the opinion that it is desirable in the reprinting of Statutes to show by marginal notations those instances where Appropriation Acts have made in effect changes in existing Statutes, as for example in the case of the Canada Wheat Board Act which is affected by Vote 17b of the Department of Agriculture above mentioned.

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

Hon. Mr. Leonard moved that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

CURLING

WORLD CHAMPIONS—CONGRATULATIONS TO VICTORIOUS MANITOBA RINK

Hon. J. Campbell Haig: Honourable senators, some two weeks ago I informed this house regarding the Canadian Curling Championship, that the annual MacDonald Brier was won by a rink from the Granite Curling Club of Winnipeg, skipped by Don Duguid, with Bryan Wood, Rod Hunter and Jim Pettapiece.

Now I should advise this honourable house that the same rink, representing Canada, won the World Curling Championship on Saturday afternoon last at Utica, New York, with nine wins and no losses. Therefore, Manitoba can now claim title to the "curlingest" province in our Dominion.

MOTOR VEHICLE SAFETY BILL

THIRD READING

Hon. Earl W. Urquhart, for Hon. Mr. McDonald, moved third reading of Bill C-137, respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another.

Motion agreed to and bill read third time and passed, on division.

DEEP SEA FISHERIES ACT

BILL TO REPEAL—THIRD READING

Hon. Earl W. Urquhart, for Hon. Mr. McDonald, moved third reading of Bill C-133, to repeal the Deep Sea Fisheries Act.

Motion agreed to and bill read third time and passed.

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—THIRD READING

Hon. Earl W. Urquhart, for Hon. Mr. Smith, moved third reading of Bill C-134, to amend the Coastal Fisheries Protection Act.

Motion agreed to and bill read third time and passed.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

BILL TO AMEND—THIRD READING

Hon. Hazen Argue moved third reading of Bill C-183, to amend the Agricultural Products Co-operative Marketing Act.

Motion agreed to and bill read third time and passed.

SALTFISH BILL

THIRD READING

Hon. William J. Petten, for Hon. Mr. McDonald, moved third reading of Bill C-175, to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

Hon. John J. Kinley: Honourable senators, before making some remarks with regard to Bill C-175, may I say I was intensely interested in the tributes paid this evening to the Honourable J. Wesley Stambaugh, a former senator whom I knew slightly. Having heard what was said, I wondered why such a man would retire at the age of 75. We were given at first the impression that he retired because he thought we should all retire at 75. However, when Senator Aseltine spoke we discovered that the late Senator Stambaugh had an infirmity and that he retired partly because of ill-health.

I am glad we heard that remark, because we who are over 75 may feel there was an inference that we also should retire. I have no intention of retiring yet.

[Hon. Mr. Urquart.]

I am glad also that we had a pension bill, because those who have given long service have been given inducements to retire. Well, I like being here and as long as I am well in my mind and my body and can make a contribution, I think I will stay around.

Honourable senators, on this bill before the house, I expected to hear the report of the committee. I suppose the report has been presented.

I expected Senator Hayden to be present and am sorry he is not here. If I were not going away tomorrow, I would wait until he came back in order that he could take this up, as some of the things I wish to say are such that perhaps the chairman of the committee would wish to comment on them.

First I refer to section 121 of the British North America Act, which says:

> 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.

Senator Hayden, in referring to section 121 of the British North America Act, having quoted it, said all it means is that they can move without customs duties, and that goods can move from one province to another without payment of customs duties.

It seems to me that the important word, as given in section 121, is "free". That word is used there without limitation or qualification. As a lay member I took that to mean exactly what it said in its greatest interpretation. I did not know, as a member of the Senate, that our relations with the rest of Canada were so limited and restricted.

After I had spoken, Senator Lang, a distinguished member of the Bar, said he rather agreed that there was some question whether this was not *ultra vires*.

I am not for one moment questioning the opinion of the chairman, who is a distinguished lawyer and who has had experience before the Privy Council on such matters as this, but I do think that people generally should know the condition of history that existed at the moment of Confederation. And if there is a wrong, then it is time it should be remedied. I believe we are approaching the time when such remedy can be considered. In other words, when I refer to the word "free" in section 121, which is there without qualification, I see the time is opportune for it to be made widely known what it does mean.

Now, clause 21 of the bill reads as follows:

21. (1) Except in accordance with the terms and conditions set forth in any licence that may be issued by the Corporation in that behalf, no person, other than the Corporation or an agent of the Corporation, shall

(a) export from Canada any cured fish or the by-products of fish curing;
(b) send, convey or carry from a participating province to another participating province or to any other province, any cured fish or the by-products of fish curing;
(c) in a participating province receive for conveyance or carriage to a destination outside the province, any cured fish or the by-products of fish curing; or
(d) sell or buy, or agree to sell or buy cured fish or the by-products of fish curing situated in a participating province, for delivery in another participating province or any other province, or outside Canada.

That is absolutely prohibiting trade. You cannot even give a fish away. I think that is going too far. The corporation also can fix the price, as honourable Senator Macdonald said, without bargaining rights. I agree that there should be bargaining rights, but I cannot go as far as Senator Macdonald. I think in the interest of progress and stability any trouble of that kind should be settled by arbitration.

I should now like to refer to the proceedings of the Standing Senate Committee on Banking, Trade and Commerce for Wednesday, March 18, 1970. On that occasion the committee dealt with several bills, including the Canadian Saltfish Corporation bill, and the witness was Mr. W. C. Mackenzie, Director, Economic Branch, Department of Fisheries and Forestry. I had the following exchange with Mr. Mackenzie as reported on page 12:16.

SENATOR KINLEY: The absolute right to make the prices lies with this corporation. The price was higher than that for a long time. It is about twice the price to the customer.

MR. MACKENZIE: For some products.

SENATOR KINLEY: I would like to follow that up.

MR. MACKENZIE: The production of Nova Scotia is almost certain to be excluded. I know that.

I was glad to hear him say he knew that, but I would like to see it in the bill. What he is saying is that they are going to do it as a matter of grace. A matter of grace is hardly good enough for the continuance of goods, stability and business in this country. Now, he qualified that a bit:

SENATOR KINLEY: Do you mean like Newfoundland?

I think perhaps he did not quite understand my question, but, in any event, he answered this way:

MR. MACKENZIE: No. Mr. Chairman, there are extensive consultations with the provinces on this bill. In the case of Nova Scotia, the Government of Nova Scotia and the traders, the organization of the traders interested in this supply from Newfoundland, both these support the bill in principle. There are some reservations about some of the implications or possible implications, naturally; but it has been agreed tentatively—no final agreements can be made until the legislation is passed. It has been agreed tentatively that for the time being, until the producers wish it otherwise, the production in Nova Scotia of pickled cured codfish, boneless codfish and scale fish will be excepted from the control of the corporation.

Now, that is a help. It is only a part of the business that these people are engaged in who are in Nova Scotia, but, if this were in the bill, I would feel better.

This bill is no doubt an effort to salvage the situation that I will speak about presently, and they will have what I would call a rather expensive overhead. I think there is a future for codfish, although it is becoming a very small part of the industry in these days of refrigeration and rapid transportation.

I have here a cutting from a newspaper which says that more than $1 million has been paid to east coast fishermen as deficiency payments on their 1969 salt codfish production, and I understand that out of 5,351 claims averaging $200, some 4,700 went to Newfoundland. The remainder went to the Maritimes and Quebec. I have no objection to that, but it shows an objection to this bill because of the situation which presently exists. They paid out a great deal of money and it shows why they needed the money for the fishermen's bounty. It also shows the business that is being carried on and the fact that the Government has paid out a

large amount of money over the last year. They have up to March 31 this year to complete the payments, and I have no doubt that that is why this bill is now before the house.

I would like to quote to you the following extract from the bill:

> (2) The board may, for the purposes of this section, make by-laws providing for the issue of licences by the corporation and prescribing the form of and the terms and conditions to be set forth in such licences.

Then it goes on to say:

> The Governor in Council may, by regulations, exempt from the application of all or any of the provisions of this part, either conditionally or unconditionally...

And so it goes on. Honourable senators have heard the remarks by honourable Senators Thompson, Grosart and O'Leary on the dangers inherent in delegated legislation. They pointed out how bad a thing this could be for Canada, and how it could detract from the prominence of Parliament. I was impressed by this as indeed were other members of the house. But, honourable senators, that situation applies to the provisions of this bill. That is why I decided to say a few words on third reading. If under this section of the bill the efficient element of the industry can get the same treatment as those who form the corporation, it will be salutary, because it leaves an element of free trade or free enterprise in the industry, and this should be encouraged.

It seems to me that better land transportation in Newfoundland and good refrigeration is needed. Water transportation in Newfoundland is now most advantageous, especially for fresh fish. With regard to saltfish, it can be made even more so. Senator Carter says that hook and line fish are the best, and I agree with him, and that is the way the fishermen work on the remote coasts of Newfoundland and Labradaor. In my grandfather's time, which was many years ago, they caught fish in traps in Labrador. They also used the big Labrador boats and traps.

Honourable senators, there has to be a different approach to the sale of fish. For example, you must have effective advertising. At Dinty Moore's Restaurant in Boston they advertise corned beef and cabbage as their specialty, but you can get almost anything you want to eat. At the Parker House in Boston, for many years their specialty was Boston Scrod, a small codfish which is tastefully prepared. Everyone knows about it all over the New England States. Whenever I go to Boston, the first thing I ask for is good Boston Scrod. I say this, honourable senators, to point out that we should do more advertising along that line.

As I said, this saltfish is caught mostly by the fishermen on the remote coasts of Newfoundland and in the Gaspé and other places where they have excellent natural facilities for curing the catch. They have the sunlight to cure the fish, and I agree with Senator Carter when he says that sun-cured fish is best. I know from my own experience that they have a better smell because it is a more refreshing way to do it; the sunshine and the clean water of the Atlantic for washing the fish make for a superior product.

In California they talk of the Sunkist oranges, so why should we not talk of the sun-cured fish of Newfoundland or the Gaspé or Nova Scotia. If we were to do so, I think we would be able to procure a larger share of the market, and we would be doing a service to our fishermen. Of course, they must work in the summertime because the winter is not a good time for them. Many fishermen cure their own fish and this gives them and their families employment at home.

Honourable senators, as I have said before, Newfoundland needs better roads, better transportation and refrigeration so that they can deliver fresh fish to the big industries. Also, as I said, there should be more free enterprise and the industry should not be bound up in this way. Furthermore, it should be competitive because competition means that they will get more for their product. They are getting a splendid price now because there is a shortage, with the result that saltfish costs twice what fresh fish costs. It is the same as the situation with corned beef which is now more expensive than fresh beef because there is more work involved in its preparation.

Honourable senators, it would seem that production from Nova Scotia is almost certain to be excluded. I have been told that by a civil servant in committee. It looks as if they give you answers on policy. I hope that what he told us is true. I am glad I got that information from him in committee because it will be well received down in my part of the country, but I must say I would rather see it in the bill. As honourable senators are aware, the committee met at 9 o'clock in the morning which is rather a difficult hour, but we had a good discussion and the chairman was completely fair. The committee voted seven to

three to report the bill without amendment. The vote was small, but many senators were serving on other committees at the time. However, I was pleased to see that two distinguished commercial men in the Senate from Nova Scotia, one on the Opposition side and one on the Government side, agreed with my presentation in committee.

I do not think I can do anything at this hour to change this bill, which is to come into force by proclamation; it certainly is not to come into effect when it passes this house. I think that before the bill is proclaimed by the Governor in Council a third look should be taken at it. This is the second look, and I hope that a third look is taken at it and that the interests of the little man in Nova Scotia, the Gaspé and Prince Edward Island will be considered. All the big industries discarded the salt fish business years ago, but it is something that is a bulwark for the little man because he can do this in the summer time. He probably has a little farm, in Nova Scotia at least, where he can live cheaply. He is a man who populates the more remote parts of the province along the coast. We do not want to bring them all into the cities, as is trying to be done now. We think the life of this type of man is good, and with education, the telephone and television he will have all the opportunities of the man in the city and, in fact, will have a more pleasant life. He should be helped, and while it costs $1½ million to sustain the country's end of the business this year, I hope that this corporation, which has a rather heavy overhead, will be able to do something. I hope the people who have virtue and are efficient will not be left outside the provisions of this bill, and I am glad that to a certain extent this is so in Nova Scotia.

Motion agreed to and bill read third time and passed.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

THIRD READING

Hon. Earl W. Urquhart, for Hon Hédard Robichaud, moved the third reading of Bill C-12, to establish the International Development Research Centre.

Motion agreed to and bill read third time, as amended, and passed.

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, March 19, the adjourned debate on the motion of Hon. Mr. Martin that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

Hon. J. Harper Prowse: Honourable senators—

The Hon. the Speaker: Is it agreed, honourable senators, that the honourable Senator Prowse should speak now instead of the honourable Senator Lamontagne?

Hon. Senators: Agreed.

Hon. Mr. Prowse: Honourable senators, it is not my intention to keep you long, but there are one or two points I think should be made and I must take this opportunity to make them.

The motion we are now discussing which was set out by the honourable Leader of the Government in the Senate, is a suggestion to refer the report of the other place on statutory orders to the Standing Senate Committee on Legal and Constitutional Affairs in order to report on procedures, to investigate the matter and, I assume, to make recommendations to the Senate as to how it can effectively serve the public requirements with regard to the review of subordinate or delegated legislation.

Without boring you by figures that are dealt with at complete length in the report, I think it sufficient to point out that of 601 statutes in the present Canadian statutes, more than 400 provide for delegated legislation; and that there are nearly 7,000 regulations under these various statutes, Orders in Council and prerogatives of the Crown, covering approximately 20,000 pages. When you keep in mind that the statutes contain a great many things that really do not concern the law but concern the setting up of bodies to administer the law, it becomes clear, in the light of these figures, that since 1956 a great many more of the particular pieces of legislation that affect the day-to-day life and business decisions of this country are determined by statutory regulations of one kind or anoth-

er in the federal area alone—and it is worse in the provincial area—than are determined by acts of Parliament. When one realizes that, then I think one begins to appreciate the concern which has been expressed in many places that we do not as yet have in this country any procedure for the regular, proper and constitutional review of the type of regulations to which our people are being subjected twice a day, on the basis of the average time it takes for new orders and regulations to come out.

There is scarcely any limit to the areas which can be covered or to the effect of the legislation which can be passed by administrative bodies by virtue of the general enabling legislation.

The report sets out in some detail and the evidence upon which the report is based contains more detail on the problems that are involved. First, there are problems involved in the drafting of the enabling legislation. Then there are problems in the drafting of the subordinate legislation. Then, of course, there are the problems involved in determining whether the legislation as it finally appears has been properly made available to the public, and whether it is legally within the terms of the enabling legislation.

The number of problems involved goes on and on, and honourable senators can read them in the report. There they are stated much more concisely and interestingly than would be possible for me to put them at this time. Generally speaking, anyone who had anything to do with this problem of delegated legislation and its importance is agreed on this one fact, that unless Parliament is to almost abdicate its legislative responsibilities to the executive or to the civil service we must provide some effective control in the first instance, and review in the second, which does not exist at the present time.

The report of the committee of the other place suggested that the review should be done by a special committee of the House of Commons. In order to appreciate that recommendation fully I think it would be well to refer to the *Votes and Proceedings of the House of Commons* of October 27, 1969 which contains this report. I would read from page 1490:

> The committee was divided over the question of the desirability of a Joint Committee of both Houses as opposed to a Standing Committee of the House of Commons alone, as some members felt that the non-elective and non-representative character of the Senate made it unsuitable for this role; but in the light of its terms of reference, which required it "to report on procedures for the review *by this house* of instruments made in virtue of any statute of the Parliament of Canada"—

It is unfortunate, I think, that the writer of the report felt called upon to add the suggestion that the non-elective and non-representative character of the Senate made it unsuitable for this role, and was not content to follow his terms of reference. If we leave it at that, perhaps that is the best we can do, but I think I would say at this time that I become a little weary of listening to carping criticism of this institution from recently arrived persons in the public service, based on the claim that this body is not representative or responsible.

In the first instance, let it be clearly understood that we do not appoint ourselves to this house. The Government of the day takes the responsibility for appointments to the Senate, and it must answer for them. So, we are just as responsible to the public as are judges and other public servants who are charged with special responsibility.

Secondly, it should be kept in mind that we do not have to try to fly with every twist of the wind, but we can follow principle as we conceive it and as it steers us, to the logical and proper conclusions that we hope will best serve the interests of the people of Canada. Once we are appointed to the Senate, there is nothing anybody can do for us or to us; moreover, we cannot be given any other appointment. For instance, we cannot be elevated from the District Court bench to the Supreme Court bench. We are distinct from any other group of citizens in this country, in that we have no need to serve anything except the needs of the people of Canada, and we need answer to no one, but to live in the hope of a clear conscience when the time comes for us to die. If there is another way by which the people can be better served, I would like to hear it.

The sad thing about this is that the members of this chamber are overworked, as are the members of the other place. How the members of the other place are able to do their job at all, I do not know. There are demands made upon them by the house in which they sit, by the committees of that house to which they have been appointed, by the committees of the caucus, and by the constituencies to which they must answer. How they can meet those demands, and at the same time acquire the tremendous amount of knowledge that it is necessary for them to

have if they are to make the sound decisions that the people of Canada are entitled to have from them, is beyond me.

If it be true that the ordinary member of the other place is so assailed by responsibilities that lack of time makes it impossible for him to discharge to his own satisfaction, how much more is it true that the members of the executive charged with the responsibility of finally administering the laws which we pass must find it impossible to make the kind of judgments necessary to develop future policies. If we have troubles in this country today that nobody seems to be able to solve, then I submit that the basic reason is not that nobody wishes to solve them, but because neither the cabinet, nor the House of Commons, nor this house, have their time organized in such a way that they are able to get the information necessary to make the decisions that will have to be made.

No decision is better than the information upon which it is based, and if the information is not available then the decision cannot be sound, Mr. Speaker. I make this plea through you, and whatever means are available for broadcasting it to the members of the other place, that rather than waste precious time and energy and ability in tossing senseless arrows back and forth, they should recognize the simple fact that if this house were abolished at noon tomorrow Parliament would not have one problem less to face than it had at 11.59 a.m., but there would be a hundred less persons available to find the answers.

There is too much to be done. This report makes the fact clear that the need is too great for us to waste time in futile argument as to who might do what. Let us speak clearly, set up our committees in this house, do our job as we see it needs to be done and examine the basics as to whether the new regulations and extraparliamentary procedures stay within the bounds of *ultra vires* and *intra vires*. Leave them to decide what they wish with regard to the question of violating principles to which they might be expected to give immediate answer. However, they must have the wisdom to realize that here is a group of men who have dedicated their lives to the public service and wish nothing more than to have their energies and abilities used. We must say to the other place: Why do you not use our abilities and desires in order to lighten the terrible load which you must bear and so enable you to better serve the people whom you wish to serve, and thereby better deserve their support in the future?

Hon. Mr. Fournier (De Lanaudière): Honourable senators, before the adjournment I would like to ask one question. With reference to the wording of the motion that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures, I would like to know where that will lead and exactly what it means with respect to the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto. Where will the words, "to report on procedures" lead us and what do they mean? I put the question to the honourable Leader of the Government. Of course he is not obliged to answer today.

Hon. Mr. Martin: I have no objection to answering the question. However, I am afraid that if I speak now I will close the debate. I dealt with that question when I proposed the motion.

The proposal is that we send the subject-matter, together with the report of the Special Committee of the House of Commons on Statutory Instruments, to the Standing Senate Committee on Legal and Constitutional Affairs. They would decide whether they agree with the report, wish to modify it, or bring in their own report. They would also decide on the mechanism proposed for examination by the Senate alone or by in a joint committee, of the whole question of delegated legislation which, as Senator Prowse and others have indicated, represents an avenue of work for the Senate which could be one of our most important responsibilities.

Hon. Mr. Fournier (de Lanaudière): I thank the honourable gentleman for his kind answer. I am satisfied and happy to know the manner in which he intends to proceed.

On motion of Hon. Mr. Urquhart, for Hon. Mr. Lamontagne, debate adjourned.

ADJOURNMENT

Hon. Earl W. Urquhart: Honourable senators, I move, with leave of the Senate, and notwithstanding Rule 45(1) (g), that when the Senate adjourns today it do stand adjourned until tomorrow, Tuesday, March 24, 1970, at 2 o'clock in the afternoon.

Motion agreeed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, March 24, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Paul Martin tabled:

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1969, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C., 1952.

SEPARATISM

THREATENED INDEPENDENCE OF QUEBEC—STATEMENT

On the Orders of the Day:

Hon. L. P. Beaubien: Honourable senators, recently a minister of the provincial Government of Quebec and a minister of the federal Government have made statements in connection with the possibility of the Province of Quebec becoming independent of the rest of Canada.

The problem, which a lot of us had hoped would go away if we pretended it was not there, has, I think, been rather loosely regarded as a provincial matter. I would like to state that the question of separatism is the most important federal problem that Canada has had to face since we became a nation 100 years ago.

Let us look at our half continent, starting from the Atlantic side—can any sensible person conclude that the four maritime provinces would remain within the Canadian framework if they were separated from the remaining five provinces by several hundred miles of what had become a foreign country?

Going west, we find Ontario prosperous and temporarily benefiting from the malaise in Quebec. Manitoba, Saskatchewan, Alberta and British Columbia—how would they react? Would they form a mini-Canada of five provinces with Ontario, or would the pull toward joining our big neighbour to the south become irresistible?

Who, honourable senators, will assume what proportion of the national debt? What do we do with the enormous Crown corporations? What kind of credit rating would the fragmented bits of the country have?

I mention our credit because it is directly related to investment—every kind of investment, municipal, provincial, federal, private or foreign—and employment depends directly on investment. Already we are suffering heavy unemployment, partly due to the uncertainty in our political future. The other unfavourable factors are the highest taxes in North America, with a possible tax increase as contemplated in the proposals contained in the White Paper.

Honourable senators, what should be done? I would like to suggest that the Parliament of Canada, speaking for all Canadians, make a solemn declaration that Canada is one country, and that, come what may, we will see to it that it remains one country, and that nothing will change our resolve.

Hon. Senators: Hear, hear.

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions.

Hon. Jacques Flynn: Honourable senators, I apologize for my absence last evening. A snowstorm prevented me from flying here in time. I finally arrived at half-past eleven—a bit late for the sitting. I would have liked to follow the sponsor of this bill (Hon. Mr. Connolly, Ottawa West) last evening.

Hon. Mr. Connolly (Ottawa West): It is worse here than in Russia!

Hon. Mr. Flynn: From my short experience with snowstorms in Russia, I would agree with the honourable senator. On the other hand, this has given me an opportunity to read Senator Connolly's speech of last evening. I have read it with great care and I am satisfied that he has, as usual, given a full, complete and detailed explanation of the bill.

Hon. Mr. Connolly (Ottawa West): And confusing.

Hon. Mr. Flynn: I did not find it confusing. There are a few points which remain slightly obscure, but it is only because the senator did not deal with them. Therefore, I do not intend this afternoon to deal with the bill in detail at all. I will restrict myself to very general comments except for possibly some provisions concerning members of this house who were appointed before 1965.

The bill deals mostly with the pension benefits of public servants, and it improves their situation. I have not heard any criticism as far as this part of the bill is concerned. Everybody seems to be in agreement that we should give supplementary benefits to the retiring public servants and their dependants.

The bill also deals with the pensions payable to former Members of Parliament. This is the part of the bill which has been discussed generally, and the only part that has incurred negative criticism from some quarters. I do not see any validity for such criticism. Having examined the bill and considered the whole picture and the circumstances, I think that former Members of Parliament and their dependants are not treated any better than are retired civil servants and their dependants.

Therefore, I do not intend to say anything further about the negative criticism which has been made. It comes mainly from a very small sector of the membership in the other place. All the criticism on this bill has come from the same prejudiced source which has never been very favourably disposed towards the Senate.

In any event, as far as members of the House of Commons are concerned, I would say that they will obtain some adjustments which generally apply to those members of the Senate who have been appointed after June 2, 1965. To be more precise, the members of the Senate appointed since June 2, 1965 do not receive exactly the same benefits as do the retiring members of the House of Commons, but on the whole it is the equivalent and I think it should be considered satisfactory.

The same provisions apply also to those senators, appointed before June 2, 1965, who decided to take the option of retiring under the Members of Parliament Retiring Allowances Act. When I use the plural, "senators", I am not exactly correct, as there was but one who chose to take this option.

As regards those senators appointed before June 2, 1965 who did not opt to retire under the Members of Parliament Retiring Allowances Act, the present bill corrects to a large extent a situation which was entirely unfair and which has proven unjust to the families of many of our members who have died since the coming into force of the act in 1965.

As far as this group is concerned, I would say roughly half of our membership are 75 years old or more. Under the present provisions, those who were aged 75 when the act came into force, and those who reached that age since, had the right to decide within one year whether or not they would resign their places in the Senate. If they did, they were awarded a pension of two-thirds of their indemnity, and subsequently, upon their deaths, their widows were entitled to a pension of one-third of their pension which, under the present rate of indemnity, is $2,667 per year.

Now, as to the senators under 75 years of age, they had no choice of deciding whether they would retire when reaching 75. If they were to die in office, even after paying a contribution of 6 per cent over I think 26 years, there was no benefit at all accruing to their widows or other dependants, nor even a refund of contributions to their estates. They could pay up to something like $20,000, if I remember correctly, and still not get a cent out of it. It was, of course, an impossible situation.

Naturally, those who had the option of retiring at 75, or within one year, at least had that option. But there was equally something unfair as far as they were concerned, in that, if they did not take the option to retire, and died in office, there was no refund to their estates of their contributions. Therefore, there was little choice but to take the option.

Honourable senators who were here when we dealt with this bill in 1965 will remember that the purpose of the bill at the beginning was merely to entice members of the Senate to resign when they reached the age of 75. That was all there was to it. There was no contribution. The 6 per cent levy was added at the suggestion of one whom we can easily identify, and who was a great friend of the Senate. But the bill was accepted without examining sufficiently the consequences. Now, we know that since 1965 many members of this House have died, leaving widows without pensions. No pensions are payable or have been paid to the widows and no refunds have been made to the estates.

This bill at least corrects the situation to the following extent. As far as those senators who have not yet reached the age of 75 are concerned, it gives them the option within

one year—and I believe the date is mentioned as April 1, 1971—to indicate whether they will resign their seats when they reach the age of 75. Once they have done that, then if they die while members of the Senate, their widows will be entitled to a minimum pension of one-third of the pension which would be payable to such senators if they resigned because of ill health or having reached the retirement age of 75. That pension is a minimum of $2,667 per year. The amount would increase, depending upon the number of years of contribution, up to one-third of the present indemnity, which would be $4,000.

Hon. Mr. Choquette: May I ask the honourable senator a question? Why is this carrot again being dangled in front of us, this suggestion that we should intimate now or within one year's time that we are going to retire at the age of 75? Does it add anything to the benefits or to the bill itself?

Hon. Mr. Flynn: I can tell my honourable friend this, that the purpose of the act of 1965 was to encourage members of the Senate reaching 75 years of age to resign their seat. This amendment is in the same vein, and as far as I am concerned—although it could perhaps have been called a carrot in 1965—follows the principle of that act and constitutes the purpose of the bill.

As I have said, honourable senators, those who were under the age of 75 had no choice but to retire upon reaching that age or to become invalids rather than to die suddenly in office. Honourable senators, it is not easy to make such a choice. Now at least they have the opportunity to make a choice. They can decide to remain in office after the age of 75, but they continue to take the risk of dying in office and their widows will not receive a pension. At least it is a consolation now for them, as well as for those who have reached 75 and who have not made the option, that the contributions will be refunded. This is my understanding. However, I should like the sponsor of the bill, either here or in committee, to confirm that my understanding is correct.

Hon. Mr. Connolly (Ottawa West): There is no doubt on that point.

Hon. Mr. Flynn: Clause 27 of the bill which adds section 17A to the act says that contributions made since 1965 will be refunded whether the senator dies in office or whether the senator who has retired under the conditions therein is at the time of his death over 75 or not.

Hon. Mr. Connolly (Ottawa West): My understanding is exactly the same as that of the honourable Leader of the Opposition. Last evening I said on a couple of occasions that I thought the minimum that would be allowed to a senator in that situation or to his estate was a return of contributions.

Hon. Mr. Flynn: In other words, where there is no benefit payable, there will be a return of contributions to all members of the Senate appointed before June 2, 1965.

Hon. Mr. Choquette: Even if they have not exercised their option to retire?

Hon. Mr. Flynn: Even if they have not exercised the option.

Hon. Mr. Connolly (Ottawa West): That is my understanding, and I think it is right.

Hon. Mr. Flynn: As far as honourable senators who are over 75 years of age are concerned, there is again the provision for being able to retire before April 1, 1971, with the result that, if they do, the pension payable to the widow might under certain circumstances be higher than the minimum of $2,667. I do not think it could apply now, because it takes 12 years to qualify in that way, and I think that at present there is a maximum of only five years' contributions by anyone. Eventually, this could be the case.

Hon. Mr. Connolly (Ottawa West): It goes up gradually, year by year.

Hon. Mr. Flynn: I mean this benefit applicable to members who are now 75 years of age or over is presently theoretical because it cannot benefit anyone now since there is a maximum of five years' contributions and you have to contribute for 12½ years before the amount of $2,667 increases.

Hon. Mr. Connolly (Ottawa West): Yes—12½ years more.

Hon. Mr. Flynn: No, not more. I believe the five years of contributions would be included in those 12½ years.

Hon. Mr. Connolly (Ottawa West): I do not think so. I think it takes almost 18 years to do it.

Hon. Mr. Bourget: Yes, 18 years.

Hon. Mr. Flynn: As I understand it, the past five years would be included in this.

Hon. Mr. Connolly (Ottawa West): They would be included in the 18 years, and then

after approximately 18 years the survivor benefit would be $4,000. It creeps up from $2,667 to $4,000 year by year. I think everything that Senator Flynn has said implies what I have just said.

Hon. Mr. Aseltine: When does the 18 years start to run?

Hon. Mr. Connolly (Ottawa West): From 1965.

Hon. Mr. Flynn: That only reinforces my statement that this benefit is more or less theoretical as far as the present membership is concerned—

Hon. Mr. Connolly (Ottawa West): Over 75 years of age.

Hon. Mr. Flynn: —or members appointed before 1965, because they have contributed for only five years and it would take another 12½ years.

Hon. Mr. Bourget: Surely you expect to live that long? That will be 17 years—five years plus 12.

Hon. Mr. Flynn: It is only to add a few dollars to a pension which, under the present rate of indemnity is very low, $2,667.

By the way, when you compare this pension of $2,667 for a widow of a senator appointed before 1965 to any pension payable to the widow of a public servant or a judge, for instance, it is a rather pitiful benefit.

Hon. Mr. Bourget: You are quite right.

Hon. Mr. Flynn: So I am quite satisfied that if there is any criticism in this regard, it should be completely disregarded.

Hon. Mr. O'Leary: What happens to the money that is paid in? How is it being spent?

Hon. Mr. Flynn: The money that is paid under the act of 1965 is put into the Consolidated Revenue Fund. There is no contribution by the Government, but I must say that the last figures we have show that it cost the Government very little on the whole. Although there is no compulsory contribution by the Government provided in the act, it still costs the Government very little. In fact, I think that overall there is a profit.

Hon. Mr. O'Leary: What is the sense in taking money from you and giving it back to your estate after you are dead? I would rather have the money now.

[Hon. Mr. Connolly (Ottawa West).]

Hon. Mr. Flynn: This is the same principle, I suggest, that operates in respect of any pension. Pension contributions have always been compulsory, and if no benefit is payable, there is a refund. This is normally the principle of any pension scheme. I can understand that there could be an option not to contribute, but that is very seldom the case in a pension scheme applicable to a group. It is certainly not the case in so far as the Public Service is concerned. Nobody can opt out of the pension arrangements for the Public Service.

Therefore, if my interpretation of clause 17(1), which is concurred in by Senator Connolly, is correct, at least the contributions paid by a senator or a person who has resigned will be refunded if there is no benefit payable to a widow or a retiring senator. This is only fair.

I must say that I would have liked something to be done for those of our colleagues who have died since 1965. I would have welcomed an amendment to provide that in all cases where a senator died in office before the coming into force of this act his contributions would be refunded to his estate. That would have been equitable, but apparently the suggestion was made too late and nothing can be done at this time. However, I would urge the honourable Leader of the Government to deal with this problem on the first occasion possible. I know of widows of former colleagues who really are in need of even the small amount that is represented by a refund of the contributions made during three, four, or five years.

Hon. Mr. Martin: Honourable senators, I might say that I discussed this particular case with the authorities this very morning. It is a case of real hardship, but there is no way by which the Senate can deal with it.

Hon. Mr. Flynn: I know.

Hon. Mr. Martin: The case is one that generates a great deal of sympathy, and it may be possible to do something by way of an estimate later.

Hon. Mr. Flynn: I am pleased to hear the Government Leader say that.

Hon. Mr. Martin: I am just saying that it is possible.

Hon. Mr. Flynn: I understand, and I am not critical of the Government because a committee of this house considered these problems and made some recommendations, most of

which were accepted, but this was not one of them. This was suggested too late to be implemented in this bill. The idea advanced by the Government leader that we may be able to deal with this by way of an item in the Estimates has some merit, and I would hope that the Government will make a decision in that regard.

Hon. Mr. Connolly (Ottawa West): If it were done by way of a $1 item in the Estimates, do you suppose the Opposition would accept it?

Hon. Mr. Flynn: It would be excellent legislation, and we would know what we were doing. We can argue this matter in the Standing Senate Committee on National Finance. It is too bad that Senator Grosart is not present, because he is the specialist on $1 items. I should like to have his views before expressing approval or disapproval on this proposal.

Hon. Mr. Bourget: Senator Leonard is an expert also.

Hon. Mr. Flynn: Therefore, honourable senators, in conclusion I would say that this bill adjusts the pensions of the civil servants generally, and gives additional benefits to Members of Parliament which are not excessive, and, finally, it corrects a situation which was to my mind entirely unfair to members of the Senate who were appointed before June 2, 1965, and who did not opt to come under the Members of Parliament Retiring Allowances Act.

Hon. Mr. McDonald: Honourable senators, I should like to ask a question of the honourable sponsor of this bill (Hon. Mr. Connolly, Ottawa West). It is my understanding that under the Members of Parliament Retiring Allowances Act, in order to qualify for a pension a member must serve for more than two parliaments. Under the bill now before us a member must serve for a minimum period of six years. What happens in respect of the member who is now qualified for a pension under the old act, and who is disqualified by this bill?

Hon. Mr. Connolly: Senator McDonald asked me this question before the Senate assembled. I did not know the answer then and, frankly, I do not know it now. However, I am sure that that information can be obtained. It seems to me that the later legislation overrides the earlier legislation.

Hon. Mr. Aseltine: Is it not retroactive?

Hon. Mr. Connolly (Ottawa West): No. If the honourable senator does not mind, I should like to have that question dealt with in committee.

Hon. Mr. McDonald: I can understand why Senator Connolly does not have this information available now. If my interpretation is correct, I for one object most strenuously to any legislation that disqualifies a member in respect of a pension when he has already qualified. This is what this act seems to do.

Hon. Mr. Bourget: It is my view that you can never be denied an acquired right. If you have acquired the right to a pension by a specific piece of legislation, then that cannot be denied by another bill. As Senator Connolly has said, Mr. Clark will tell us about this in the committee, but I am quite sure that nobody will be denied an acquired right.

Hon. Mr. Flynn: From my examination of the bill, I do not think so either.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. John J. Connolly: Honourable senators, Rule 67 (k) requires that bills relating to pensions be referred to the Standing Senate Committee on Health, Welfare and Science. I therefore move that this bill be referred to that committee.

Hon. Mr. Flynn: May I ask when it is the intention of the committee to consider the bill?

Hon. Mr. Martin: Immediately after this sitting today.

Hon. Mr. Flynn: I raise this question because we have another committee sitting. As it is impossible to be in two places at one time, it would be preferable for this committee to meet one-half hour later.

Hon. Mr. McDonald: The notice of meeting of the Standing Committee on Internal Economy and Contingent Accounts has just arrived. Notice of the meeting of the committee to consider this bill could not be distributed until it was referred to committee. The suggestion of the Leader of the Opposition is a good one. We should have the Standing Senate Committee on Health, Welfare and Science meet one-half hour after the house rises and the Standing Committee on Internal Economy and Contingent Accounts immediately upon rising.

Hon. Mr. Smith: It is my understanding that the notice reads that this meeting will be held in room 289-S, which is the Clerk's office in which the documents are available. I know from the agenda that if we do not talk too much the meeting will last less than half an hour.

Hon. Mr. Martin: Senator Robichaud is acting chairman of the Standing Senate Committee on Health, Welfare and Science. Is this arrangement satisfactory to him?

Hon. Mr. Robichaud: It is satisfactory and the committee will meet in room 230-S one-half hour after the house rises.

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Senate Committee on Health, Welfare and Science.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on National Finance, which was authorized to examine and report upon the expenditures as set out in the Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1970.

Hon. T. D'Arcy Leonard moved that the report be adopted.

He said: Honourable senators, the report is printed in the Senate *Hansard* of yesterday at pages 760 and 761. It deals with the Supplementary Estimates (B) for the fiscal year 1969-70 which were referred to the Standing Senate Committee on National Finance. These supplementary Estimates cover expenditures of approximately $215 million, and Loans, Investments and Advances of some $41 million. In previous years we had a number of supplementary Estimates, which in aggregate amounted to a fairly substantial sum. However, this has been criticized from time to time both in your committee and elsewhere. The result is that we have had this year only two supplementary Estimates. We must always have at least one supplementary Estimate, because it is not possible to see a year ahead all the emergent situations that may arise and require additional expenditure. We should recognize that there is a trend now towards decreasing the number of supplementary Estimates and their amount. The result is that the total of the supplementary Estimates this year is just 2½ per cent of the total Estimates for the year. These Estimates bring the total expenditures for the year to $12,140 million and the total of Loans, Investments and Advances to $676,032,000.

Your committee has been concerned in the past to compare the trend of Government expenditures with the increase in gross national production. It is obvious that as we grow wealthier and our production increases our expenditures are also going to increase. However, there is a broad, rough guideline that may be used in this type of study. The increase in federal Government expenditures can be compared from year to year with the increase in our gross national production. Our expenditures for the year ending March 31, 1970, one week from today, are up about 11 per cent from the expenditures in the previous fiscal year. Our gross national production, as far as we can ascertain at the present time, is up about 9.3 per cent. Our federal Government expenditures have again in this current, now-ending fiscal year increased more rapidly than the gross national production of the country. This is a warning sign that has been needed to some extent by the Government in announcing during the year what has been called its austerity program.

The Estimates again include the $1 items to which reference has been made. There are 30 such items. It is the custom of your committee to scrutinize every one of them very carefully. There are some, of course, to which no objection can be taken. There are others that are really a tidying up of administration, involving no actual expenditure and simply changing certain purposes of expenditure within a vote. The ones to which your committee directs its most careful attention are legislative in character. Of the 30 $1 items in the Supplementary Estimates (B), eight are legislative in character.

Your committee in its report voices its criticism of this method of bringing about a change in a statute or in its effect through a $1 item in the supplementary Estimates. There may be some that are inconsequential, but the practice is not good. It may lead, as in point of fact it will be found to have done in supplementary Estimates (B), to a situation which is considerably more serious than some minor items.

This brings me to the largest item in the supplementary Estimates. Before going on to deal with that, I should like to say that the committee has recommended that where these $1 items are used and have the effect of changing a statute or making an exemption

from a statute, there should be a marginal note when the statutes are printed to indicate to anybody searching a statute that they should look at these appropriation acts to ascertain what change has been made.

I now come to the largest item in the Supplementary Estimates. Here I will read paragraph 4 of the report, because it sets out very briefly, I think, the feeling of the committee in dealing with this $100 million item. The paragraph reads as follows:

> The practice of amending statutes through one-dollar items can lead to the same practice on other items involving substantial expenditures, thereby bringing about changes that are also legislative in character that should properly be brought about by substantive statutes rather than by Appropriation Acts. Of such a character in these Supplementary Estimates (B) is Vote 17b of the Department of Agriculture, a grant of $100,000,000 for payments to be made in the fiscal year 1970-71 for purposes of wheat acreage reduction, this vote being the largest single item in the supplementary Estimates and representing nearly one-half of the total amount of the Estimates.

It is the first vote in the Estimates.

> Your committee is not critical of the purpose for which this sum is to be used, nor of the amount of the vote, but it is strongly of the view that the importance of the subject matter and the extent of the changes intended to be brought about in so essential a part of the Canadian economy as is constituted by our wheat producers, require the usual and proper method for Parliamentary action, namely, a substantive bill with all the appropriate clauses setting out the intended purposes of the legislation and going through the required readings and debates as prescribed by the Rules of the respective Houses of Parliament. Furthermore, while the Vote is included in the supplementary Estimates for the fiscal year 1969-70, the committee points out that the expenditures to the producers will be incurred in the 1970-71 fiscal year, and subsequently, and this again is a practice of doubtful propriety in the opinion of your committee.

This is a subject related to the speech Senator Argue made last week in which he referred to the wheat acreage reduction plan and the delegation of authority under the Canadian Wheat Board Act. This Appropriation Act really goes one step further. When we come to the Appropriation Act based on these Estimates, it will be the only statutory authority for the new program and the new plan and the expenditure of $100 million. So, you will go from the Appropriation Act to the Supplementary Estimates, where in one paragraph is set out what the program is, and then you will go on to the Canadian Wheat Board Act to see what the powers of the Board are under its regulations.

This is a process of legislation through the Appropriation Act and through the Supplementary Estimates to which your committee takes objection. Speaking personally, while I agree with the wheat acreage reduction program and believe it is desirable to spend this substantial sum of money to encourage the reduction in acreage of sown wheat this year, I deplore the method of procedure. To me it smacks too much of government by decree.

Having said that, I commend the report to honourable senators and move its adoption.

Hon. Hazen Argue: Honourable senators, I am pleased that the Standing Senate Committee on National Finance, in the report just moved by Senator Leonard, has drawn attention to what is considered to be a bad practice in using items in the Estimates to do what in fact legislation should do. The other night when I was speaking on this subject I said that in my view, particularly as it related to the Canadian Wheat Board Act and the use of permit quotas for the purpose, not of marketing grain but of endeavouring to force farmers to production, the whole exercise was illegal and coercive in its application. Today I wish to speak more on the substance of the measure itself, what its effect has been to date and what effect it is likely to have.

When this measure was introduced it was said by the minister in charge that the Government hoped to spend $100 million to bring about wheat acreage reduction, and that the Government would be very happy indeed if the farmers used the total maximum amount, namely, some $142 million. This program has been public now for a few weeks and the reaction of the farmers is, I think, becoming more and more clear. I venture to suggest that only a minority of the amount of money involved in these Estimates will be in fact used. Here is an item that the Government is providing to farmers, unrequested and unsolicited by them, coupled with a revolutionary change in the government system, which I think has already been very largely rejected.

The Government can take one of two views on the great surplus of grain on the Prairies; one is an optimistic view, the other pessimistic view. The optimistic view is that the Government should be bending every possible effort to increase sales, markets and use of the grain. The optimist would say that this grain is a valuable asset; that if we should be fortunate enough to have another good crop this year and even add to that asset, that still would be something of great value. The farmers who have been in the West for some generations now say that in their experience there are always crop failures from time to time, both in Canada and in other countries of the world, and that the farmers' main problem over the years has not been burdensome surpluses but crop failures and difficulty in producing grain. So the reaction of the producers is immediate to this kind of program, namely, to say they would much prefer to produce than to restrict.

I am sure that no one would have objection—and I want to make it clear that I have no objection—to the Government, if it feels it necessary to say to farmers, "We will give you $6 for every acre you take out of wheat and place into summerfallow." But I objected before, and I object again, to saying to grain producers, "Unless you take land out of wheat production, unless you summerfallow, you will have no quota and you will be unable to deliver from the surplus of grain you have on hand."

Hon. Mr. Martin: May I ask Senator Argue if that provision had not been provided would we not have contributed to a surplus situation with regard to other products?

Hon. Mr. Argue: I want to get the question clear. You mean the $6 an acre or the "coercives", as I call them, in the provision?

Hon. Mr. Martin: If we had not provided for the summerfallow or perennial forage conditions, we would have encouraged production in other areas, including rapeseed, to go far beyond the market requirements.

Hon. Mr. Argue: This is the theory, and I think it is a mistaken one because what the Government says to me as an individual producer or to any producer this year is, "If you seed wheat, you will get no quota to sell it, but if you seed flax and rapeseed there will be a quota."

There is nothing more effective the Government could have done to bring about a tremendous surplus of flax and rapeseed than the kind of policy now outlined. I have studied its application and I have talked to farmers. There is every indication to me that the monstrous wheat reduction plan called "Operation Lift" is not getting off the ground, and it looks like a bust before takeoff.

There is a report in today's paper regarding the D.B.S. which I believe to be factual, that before the farmers knew of this plan at all, they were prepared by their own voluntary decision to reduce their acreage this year by over 26 per cent without coercive quotas and without any action by the Government. A year ago the wheat producers reduced their acreage by 15 per cent. The farmers, by their own intentions and actions, have been prepared to reduce their acreage within a two-year period by 40 per cent, without someone telling them that if they produce wheat this year they will not get a quota.

I say in all sincerity that the farmers are not going to be foolish enough to forego the possibility, in that generally dry country, of harvesting a crop this coming year in exchange for $6 per acre pay, and the prospect of selling more of the wheat that they are lucky enough to have in their bins.

I suggest that the architects of this program have goofed, and I am going to relate some further evidence to substantiate that. I have already argued that this program is both illegal and coercive. The Honourable Otto Lang has worked hard to present a program that would bring production and demand of wheat more nearly in line. That is the objective of the program and I too with the Honourable Mr. Lang want to see production, marketing and demand brought into balance. I would like to see a boost given to encouraging demand rather than this means of attempting to discourage production.

This program is the work of a small group of bureaucrats and I suggest their advice over the years very often has been faulty. The farmers have read their advice and often around the hot stove in the winter they say that if they do the opposite to what the bureaucrats advise them to do it is usually for the best. They feel that in operating their own business they have been successful and have produced greatly.

One time the farmers are told that if they produce wheat, it will be sold, and the next time a task force will say that of the 30 million acres in wheat it will be necessary to reduce it to 20 million acres. This is what the task force recommended after a lengthy inquiry. The farmers are now planting to 18 million acres without coercion, and they say

that the program hatched by the bureaucrats is based on a foolish, undemocratic and unreal notion that bureaucrats and grain company presidents, meeting in secret, know more about what is good for farmers than farmers know themselves. Literally nobody, just nobody, thought to ask the farmers their opinion of this monstrosity before it was unfurled. They called in the grain presidents and had a few secret meetings. They also called in the bureaucrats, the boys with the academic degrees. The bureaucrats said that this is good for the producers, and after the announcement they then asked the farmers what they thought about it.

I made twelve phone calls myself. Ten farmers said that they did not like it and would not follow it, that the Government was trying to get them to forego a good crop for $6 an acre. The next two fellows said that it was not too bad, that they cannot kick too much because they were seeding 200 acres of forage crop this year, which they were going to seed anyway, and now the Government would be paying them $10 an acre. They are hardly complaining about receiving $2,000 for a practice they would have followed in any event.

The farmers are beginning to speak and their voices are loud and clear, "No dice"—a flat rejection.

The policy is designed to reduce wheat acreage by providing that the sale of wheat will be produced entirely on the farmers' "black land" in 1970. To sell wheat, one must not grow wheat. What an absurdity!

I would suggest to the minister and to the Government that before they concoct any other kind of program to deal with the situation on the Prairies they should speak to some farmers. They should call in some rank and file farmers. They don't have to meet the entire 188,000. If they ask these farmers for their views they will get the facts. They will get the farmers' reactions and they will be in a much better position to know what to do. The minister has decided to follow the advice given in secret by some of the big grain company presidents, and I suggest that they, themselves, have made a mistake. I also suggest that their own farmer members will not follow them, and that the farmers themselves will be rejecting this program.

Why are they rejecting it? The producers with whom I spoke had rejected it for some of the following reasons: one, it is a coercion—the big stick method, and they resent its provisions; two, the producers are angry that such a policy could have been adopted without public discussion or any prior discussion with them; three, the producers say the Government is trying to get them to stop growing wheat by a payment of only 20 cents per bushel. They say the Government is attempting to deny them an income of $30 to $40 an acre with a payment of only $6 per acre. The big stick is in the provision, and the Government, the powers that be, I suggest are relying on the big stick, the coercive part of the Wheat Board Act, rather than the $6, which is merely a bit of coating to make something that is unpalatable perhaps a little less so.

Producers say a farmer would have to have rocks in his head to go along with this deal. Some producers have put it another way. I have on my desk some of these submissions that have come from farmers. "By payment of $100 million, coupled with the new coercive quota system, the Government would deny us a $600 million crop." Producers oppose this policy, since they believe it will damage the whole prairie economy. It will curtail farm machinery and repair parts purchases. It will hurt local dealers and merchants. It will further sap the economic vitality of already sick prairie communities.

Producers oppose this policy because they believe it is misguided. Instead of being used to curtail production, $100 million could have been used to much better advantage in promoting sales of wheat, oats, barley, flax and rapeseed, in enlarging, servicing and retaining markets for these grains.

This money could have been used to develop large export markets for Canadian pork and beef, market possibilities that have scarcely been touched.

This money could have been used to develop Canadian consumption of products from countries willing to buy vastly larger quantities of Canadian grain. There are countries that will buy more from us if we buy even just a moderate quantity of products from them.

World protein demand—and I think this is the key—is very rapidly increasing. As standards of living of people around the world go up, they demand a higher protein content in their diet. They are developing a market for high protein grain and for meat and meat products. This is where the emphasis should be.

Producers oppose this policy because they feel it is bad business for them individually, and bad business for Canada, and this rejection is becoming crystal clear. It was not done

in the past, but I think that now there should be a committee on market expansion to deal with the whole question of markets for agricultural products, to deal with the whole question of an improved program, a better program, in the years ahead.

When we are discussing something that is to affect 188,000 farmers, surely we should be asking the farmers themselves and not saying: "We are concocting something for you in a secret ivory tower. Some day we are going to disclose it and if you will be a good boy and read the fine print and follow our advice, you will wind up on the correct side of your business ledger."

There is a grain marketing firm in western Canada, which I would think is the oldest and I believe one of the most prominent grain handling firms—that of James Richardson and Sons Limited of Winnipeg. They put out a weekly grain letter. Senator Paterson knows this letter. He knows this business and he can tell me if he thinks what I quote is on the right track.

This letter is dated March 19, 1970. I am not going to read it but will refer to some parts of it. First of all, about the surplus problem, it says:

> There are currently 415 million bushels of wheat in commercial storage in Canada and presumably about one billion bushels stored on farms, but the latter figure is questioned by many in the trade as the amount of wheat fed to livestock the last year or so is open to question and some well-posted people believe that stocks on hand are a lot less than is generally thought.

My own personal observation is that there is a large number of farmers who, even with the very small quotas, will be out of wheat this coming summer. The surplus is not nearly as big, in my judgment, as some of the officials think and as some of the official statistics show.

Those individual farmers who know that they are going to be out of wheat in July have to seed wheat this spring. They are going to seed wheat and they should seed wheat. They are not going to use a double summer fallow. I have never seen an acre of double summer fallow in my life, and I do not think I ever will. If one summers it for two years in a row, it will blow away and it will produce no crop. The farmers I mention will seed wheat, but, when they seed, their marketing quota is reduced for every acre they put in the ground. Say they had no crop last year because of drought or hail or because wild life got the crop, or for any other number of reasons, frost or anything else, these people would have to seed a crop this year.

Still there is a penalty and the penalty is that for every acre they seed, in order to get an income for their families, they lose income. They lose the opportunity to sell any grain from that acreage. Therefore, I think the officials are wrong in their quota recommendations.

The James Richardson grain letter goes on to say:

> Be that as it may, we do know that many farmers in the high protein growing areas in the western third of the Palliser Triangle have not got burdensome stocks on hand and if they get out of prdouction and the protein grading system comes into effect—

And this will come into effect because it has been placed before Parliament—

> there could be a few red faces around next fall when it comes to meeting export demand in certain areas of the world.

In other words, once again the ivory tower bureaucrats could be wrong. Instead of having a surplus of high protein wheat, we could easily have a deficit of high protein wheat. The bureaucrats have been there for 20 years, and some of us for 20 years have been advocating the protein grading of wheat.

After the country has lost markets for tens of millions of bushels of wheat, they come into Parliament in 1970 and say, "We have thought it over. Give us a high protein grade and we will start a new system." The Americans have been beating us for almost a generation by the use of protein grading.

I think the farmers may well be right this fall, because they are going to seed their crops as the land requires, as nature would suggest. They may well have a good crop of high protein wheat, and when the wheat and markets are there the farmers will be ready to fill the demands of the market.

This letter continues:

> Australia harvested a much smaller crop than last year and sales are going well so far. Their surplus is being reduced by a plague of rodents, which is a pretty sneaky way of doing things.

They are losing the crop at home because of rodents, but they are making great sales and going very well.

[Hon. Mr. Argue.]

In regard to the Argentine:

> The last Argentina government estimate of their wheat crop is 250 million bushels, which is just about enough to look after their own requirements plus commitments to Latin neighbours.

So the Argentine, according to the James Richardson letter, will not be a serious competitor for us this year.

Then there is an important reference to the United States. When Canada unveiled its policy, the first and the most favourable comment I read was from the United States Secretary of Agriculture. He said, "The Canadians are doing a wonderful thing; they are cutting back their production." Might not he say that. The Americans have moved in and taken over a large part of our traditional markets, and our answer to them is, "We are sorry we have a surplus. We will reduce our acreage in 1970." But not the Americans. The grain letter refers to this:

> It is rather interesting to note that, while our spring wheat acreage intentions show a sharp decrease, the United States spring plantings are expected to be up by 10 per cent.

I feel that we can support an item of payment to farmers if the payment is based upon a voluntary decision of the farmers and if they were given the opportunity to operate their farms now as they were during the war, under the late Right Honourable J. G. Gardiner, when he dealt with what was considered to be a difficult situation and brought in acreage payments. Then the farmers were free to decide for themselves whether or not they wished to reduce wheat acreage, increase summer fallow, and collect the payments.

I feel that the Government now would be far better to take a reassessment of the situation, and such would be my advice. They should say to the producers of western Canada, "Here is the $6 an acre. We thought you were going to cost us $100 million by doing it our way, but we think now that you are not going to cost us that much because fundamentally, you don't really agree with the policy, and you will use only a minority of the money involved." And they should say to the farmers, "We withdraw any intention to change the quota system on western grain. We will not base wheat marketings on black sterile summerfallow acreage, but rather we will return to the specified acreage system for the 1970-71 crop year or some accepted modification of that system."

If the Government did that, it would get itself off the hook and be able to divorce itself from the grain company presidents and others who gave the Government this bad advice. The Government is in the position today where its allies are some of the leaders of the grain marketing system, but the farmers are not with them.

Hon. Mr. Martin: And the farm leaders.

Hon. Mr. Argue: The leaders of only some of these organizations.

Hon. Mr. Martin: And the premiers of the three western provinces.

Hon. Mr. Argue: Well, this I do not know. I heard an inside story about what was said to Premier Thatcher before he made his public statement. I may not refer to it because it is only hearsay, but I say that in political life hearsay, when it is checked further, is often found to be close to the truth. At any rate, not all the farm leaders have gone along with this. The National Farm Union has not gone along with it.

As the Government leader says—and I do not hesitate to say it as I read it—the minister here in secret discussion was supported by the presidents of these grain organizations, some of whom operate grain organizations owned by producers and have a kind of double role. They are heads of the grain companies and are farm leaders, as my leader in the Senate suggests. But I suggest that, far better than having support from so-called farm leaders, grain company presidents who are out of touch, the Government would be better off to have the support of the producers themselves. I would suggest that if a poll were taken the Government would find that the producers are not in favour of this program and resent very much being traded off by anybody in a secret meeting.

The Government should withdraw these coercive provisions which were not in the Wheat Board Act in the first place and which will serve only to destroy the goodwill created by the Wheat Board in western Canada, since they are contrary to the principle of the Canadian Wheat Board Act. If they make the whole scheme a voluntary one the farmers will take up the $6 an acre offer and fit some wheat reduction into their farm practice and still keep on producing a variety of crops. Moreover, if we promote the kind of market development I suggest, the farmers this year, next year and in the years ahead will in fact sell that production.

Hon. David A. Croll: Honourable senators, this afternoon the Senate is in character. Senator Argue has spoken on wheat and I will speak about unemployment. The Government will not derive much comfort from either of our speeches.

In drafting a resolution for a full-scale debate on unemployment I had thought to wait until our return from our short recess before seeking an opportunity to express myself on the subject. But on seeing the supplementary Estimates I realized that here was an opportunity even now to say something which might be useful.

Many of you will have noticed, increasingly from day to day, the long line-ups in front of the unemployment offices. The jobless are commencing to sit in. They did at the provincial parliament in Toronto and they will soon appear on Parliament Hill here in Ottawa.

The suddenness and extent of unemployment has brought tragedy to our land. It is the highest since 1964. There are over half a million people unemployed—6.5 per cent. That is the highest percentage of unemployment in six years. It is the highest that almost any developed country tolerates.

I have here the figures from 1964 to 1968 for inflation and unemployment. The following countries, Japan, the Netherlands, Sweden, Germany, Switzerland, Britain and Belgium, all have a greater amount of inflation than we have in Canada, but all have less unemployment on a percentage basis.

Hon. Mr. Martin: It is on a different basis.

Hon. Mr. Croll: No, the basis is the same. Of course, the minute you hand out figures someone objects. But these are not Senator Martin's figures; these figures come from the International Labour Office and they measure them in the very same way in all the circumstances.

Hon. Mr. Martin: They are from eight months ago.

Hon. Mr. Croll: I said 1964 to 1968. Since then it has become worse in Canada so that there is no use talking about eight months ago. In any event, here they are, and I refer to only two countries, Canada and the United States. In Canada the figure for inflation is 3.1 and the figure for unemployment is 4.2; in the United States the figure for inflation is 2.5 and for unemployment 4.4.

You have to ask yourself why others are so much more able to deal with matters of such great importance as unemployment. Are there different values there? Have these other countries social values that we do not possess?

Sometimes I wonder if some of our people who make junkets to various countries could take a working junket and find out exactly what is happening in other parts of the world and how they do things there.

Unemployment like poverty "ain't what it used to be," and neither of them will be tolerated any longer in this country.

Let me just indicate to you the concept. We used to think of poverty in terms of destitution and privation. Well, today, we talk of crisis poverty, desperation area poverty, inherited poverty, cultural poverty and hard-core poverty, but it does not make any difference what you call it. We define it as the lack of access to goods, services and conditions available to everyone else that is normal in that environment. If you want another definition, it has been worked out very carefully by the Economic Council and our own Canadian Bureau of Statistics. It is accepted that a person may spend 50 per cent of his income for food, clothing and shelter. But when he spends more than 70 per cent, he is in a condition of poverty. Honourable senators, you do not have to define it for him; he knows all about it at that stage. That is the definition accepted in this country.

Things have changed as far as unemployment is concerned. We now have unemployment insurance and transitional assistance for the automobile people as a result of the agreement, along with fringe benefits, job seniority and other provisions to alleviate conditions. But there is no substitute for a job. The hurt of being jobless is very painful. I believe that the Government in making its choice has chosen the certain evil of high unemployment, and consequently a large gap between the actual and potential output as against the uncertain evil of moderately high inflation. I think it has been given that advice by some of these *ex officio* intellectuals, these people who have skipped grades, who ignore the values of policies and politics, how it really is, how it was and what it really means. Inflation has a price on it, a monetary price predominantly. Unemployment has a price and it exacts a monetary price. But it also has a social price, human dignity, self-esteem and hope. It is another very potent argument for a guaranteed maintenance income, which I think is an important contribution to social justice. That is one way to make the Government aware of the consequences of unemployment, since it would

have to foot the bill resulting from the need for income maintenance due to unemployment. We find ourselves today in a situation where questions are being asked and we can no longer ignore them. Today we are asked for an answer, tomorrow they will demand an answer. We in the Senate have lately become more closely involved in the lives of people. I notice from *Hansard* of March 19 that the Prime Minister has this to say:

> —The parliamentary system has reverted to the role of the Senate as being a chamber where members apply their wisdom, their devotion and their knowledge to an exhaustive review of decisions which are also considered in another Chamber.

Very nice. I am glad to know we have some friends and particularly in high places. We also have other people who think well of us. Let me give you two typical cases and indicate to you what is happening in this land. The first is a man in his thirties, working in service or in industry, who has always been employed. He is married, has a young family, a home, a mortgage, and some accessories. He has a car, a television set and some little insurance. And he has wall-to-wall debts. He has very little reserves. He has never been out of work in his life except for a few days because of illness. Then suddenly he is permanently laid off. What an emotional shock, what an economic catastrophe and what a shattering experience it is for him. A little of the world has fallen in on him. In conversation he is heard to say, "You know, Grandpa used to talk about a depression, but he was an old man and was probably exaggerating." Then his wife reminds him, "Well, Dad said something about unemployment at various times," and the young man replies, "Yes, but those were different times." I ask you, honourable senators, were they different? Are they different, and, if so, how different?

Let us take another case which is also typical. This man is in his forties, again working either in industry or service, married, with his family starting to grow up. He has a house and has paid off the mortgage; he has a car and a television set and some accessories, a few bonds and some insurance. He has many problems and the children are ready to go to college. He has banked on his ability to improve their way of life. He has a few reserves and from time to time has experienced what it is like to be laid off. But now suddenly he is permanently laid off. There are great strains on the family, with the uncertainty, the fear and the frustration. I ask you where is a man who is over forty going to look for a new job in this day and age?

There is something else that is cropping up in the household. Children are saying now to their parents, "Well, we told you that the system won't work, that its values are phony and that you don't count." They are repeating what they hear on the streets. They say, "Dad, your generation can only make war; it can't make peace and provide jobs at the same time."

How do you advise these people? They will speak to you as they do to me. Do you advise them to enter the welfare web? I would not under any circumstances. Do you advise them to enter the manpower stream where they could get retraining, rehabilitation, fit themselves for the technological needs of the future? Do you tell them hopefully that unemployment insurance may be extended, that coverage will be wider, that benefits may be better, and that we will pay a weekly three-quarters of the average industrial wage instead of two-thirds? Maybe it will even cover all employed people, but for the time being $53 is all that they can get for a specified period of time. Could we say to them, "Look, if unemployment persists the Government will become the employer of last resort"? Or do we say, "Well, it is going to blow over soon but in the meantime tighten your belt, leave a few extra holes in case there is some more tightening of belts necessary"? On the other hand, should we tell them that they ought to feel honoured to make the great sacrifice in the national interest?

We are fighting inflation on a national scale. The economists, sociologists and theoreticians, all these people who know these things so well, who speak not of unemployment but of "unused capacity", they are now manufacturing titles such as, "Soldiers in the war against inflation." Well, we have to remember that we got ourselves into this jam. The unemployed have had little or nothing to do with it. Full employment in itself is not inflationary; it is greed and avarice that make it so. The wrong people are being made to pay the price of others' mistakes.

I know there are those who think it is a great achievement to find we have a monetary surplus, but I did not see any dancing in the streets when that was announced. This country cannot afford to dissipate its human resources in idleness. We cannot afford the

amount of unemployment we have at the present time. We cannot afford to let it go on for any length of time. There is a militancy in this country: you can feel it in the air; you can read about it; you can see it. Unemployment will not be helpful to good government or tranquility for our country. I think the time has come for the Government to change its course, to take another hard look and realize that, sure, there is a price for inflation, but the price of unemployment is far more costly. We are less likely to be able to face up to it and have peace in this country.

Hon. Jacques Flynn: Honourable senators, I have only a few brief comments.

Firstly, I would say that I was very pleased to listen to the speech of the honourable senator who has just resumed his seat. He is now speaking the same language as this party has spoken recently, and we appreciate and welcome converts. It may help us to convince the Government that its present policy with regard to inflation is not entirely safe, that we may be paying much too dearly in increasing unemployment, only for the sake of trying to save a few dollars here or there in the Estimates, and be restricting the economic expansion of Canada.

Secondly, I would commend the Standing Senate Committee on National Finance for its continuing excellent work under the chairmanship of Senator Leonard.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: Thirdly, I wish briefly to comment on paragraph 4 of the report, first with regard to the practice of amending statutes for $1 items which, as the report says:

> ...can lead to the same practice on other items involving substantial expenditures, thereby bringing about changes that are also legislative in character that should properly be brought about by substantive statutes rather than by Appropriation Acts.

We have to thank Senator Argue, who brought this matter to our attention some days ago and who has again commented upon it this afternoon. We dealt with this matter just a moment ago, when I was dealing with the problem of the refund of contributions to estates of senators who have died since 1965.

Maybe we should speak of the practice of amending the substance of statutes, because there may be some cases where you can logically and properly legislate by way of a $1 item in the Estimates, if you are dealing with incidental problems like the one I referred to when dealing with Bill C-194; but otherwise, I am in perfect agreement with what he has said here. It is so obvious in the case raised by Senator Argue. I think his speech this afternoon showed that there is no doubt that Parliament would have been in a much better position to examine and deal with this matter had it come to us in the form of a bill. Therefore, I hope that the Government will give this recommendation of the committee serious consideration.

The last comment I wish to make is on the last sentence in the same paragraph of the report, which reads:

> Furthermore, while the Vote—

The same vote that Senator Argue spoke about this afternoon.

> —is included in the supplementary Estimates for the fiscal year 1969-70, the committee points out that the expenditures to the producers will be incurred in the 1970-71 fiscal year, and subsequently, and this again is a practice of doubtful propriety in the opinion of your committee.

In committee I think I raised the point myself. This item is for about $100 million, and the Minister of Finance indicated in his budget speech, or perhaps on another occasion, that he had anticipated a surplus of $450 million for the year ending March 31, 1970, but that because of this item of $100 million the surplus has been reduced to $350 million.

I suggested in committee, and I repeat, that this method allows for a distortion of the financial situation of Canada, and I suggest that the Finance Committee should look into this problem of where an estimate or a given expenditure should be classified. Can you near the end of a fiscal year decide that $200 or $300 million that you are going to spend in the next fiscal year will be classified as an expenditure in the year that is coming to an end, and thereby change the whole picture? Where do we stop? Where is the line to be drawn?

I would like the Finance Committee to consider this problem because I have not had an answer in respect to it, and I doubt that anyone has an answer. It looks as though it was simply a matter of policy for the Government, or for any minister of the Crown, to decide that the expenditure will be classified in the year just coming to an end, or be included in the budget for the next year.

Honourable senators, I do not think that that is right. I think it allows for a distortion

of the truth, and a distortion of the real financial picture of the country. Therefore, I suggest that this matter be investigated by the Standing Senate Committee on National Finance at the first opportunity.

Hon. Paul Martin: Honourable senators, we have heard today some interesting comments on the report introduced by the honourable chairman of the Standing Senate Committee on National Finance. As the Leader of the Opposition has said, we all recognize the contribution that Senator Leonard has made to the work of this committee.

Our attention has been directed to paragraph 4 of the report. We are agreed, I think, that the proper way in normal circumstances for the Government to present substantive programs is through legislation, but it would be wrong to conclude that the use of the $1 item is not legislation. Of course it is legislation, but it is not legislation in the prescribed and desired form.

In the particular case of the $100 million appropriated to assist the western farmers and to encourage them to reduce their wheat acreage, I have explained that the circumstances facing the Government forced it to adopt this particular method rather than that of introducing a bill. Until such time as the procedures in the other place are streamlined to meet the heavy legislative work load of the Government, this situation is bound to arise. The Leader of the Opposition, who has had experience in government, knows that this is the case. This is one of the reasons why in not only our own Parliament but in other parliaments, an effort is being made to streamline procedures so as to permit the despatch of public business.

The item of $100 million could not have been dealt with in the time available by any other method, unless it is argued that the Government should have thought of this particular program many months ago.

Hon. Mr. Flynn: The Leader of the Government says it would have taken more time if a bill had been presented. I wonder if he would elaborate on that. I cannot see why following that method would have taken more time, because we are going to have an appropriation bill that will have to go through all the necessary steps; furthermore, we are dealing with the Estimates in addition to the Appropriation Bill.

Hon. Mr. Martin: That is right, but the Government announced on Motions its intention to provide for this program. The policy was announced, and it took but a very few moments for it to be announced and commented on by the other parties.

Hon. Mr. Flynn: The same thing applies to a bill.

Hon. Mr. Martin: But this announcement had to be made at that time in order to be effective in dealing with the problems facing the farmers in the ensuing year. There could have been no other course. If it had been brought forward in the form of a bill, then we would have had to wait for the passage of the bill. That could have taken several weeks.

Hon. Mr. Flynn: It is not convincing.

Hon. Mr. Martin: My honourable friend says it is not convincing, but it is a fact.

Hon. Mr. Flynn: I do not doubt what you say, but in my view it is not an argument.

Hon. Mr. Martin: My honourable friend admits it as a fact, but says that it is not an argument. I do not know how he can reconcile those two obviously contradictory statements.

Hon. Mr. Flynn: They are not contradictory at all. The Government made an announcement, but it is not because it made an announcement that the matter was dealt with faster.

Hon. Mr. Martin: In principle, I agree that this is not a satisfactory way, but in the circumstances, given the decision of the Government in respect to this wheat acreage reduction program, the Goverment took the only course that it could have taken legislatively at that time. I would hope that our rules will be so modified as to make unnecessary or to minimize the occasions when this kind of legislative practice is pursued.

Senator Argue has no faith in this program. He stated this some time ago. He does not tell us how many farmers who have a wheat surplus accept this program. Senator Argue, of course, knows infinitely more about the wheat problem than I do, but my impression is that he understates the extent of the support for this program. It is not the most satisfactory kind of solution. In fact, the encouragement of wheat acreage production is not a solution, as the Government recognizes, to the agricultural problems facing the western farmer. But there is a surplus of almost a billion bushels of wheat. Senator Argue challenges that figure. He says he does not believe the surplus is as great as that. He does not

offer any evidence to support his statement. The Government must take the evidence of those whose business it is to assess the quantities of wheat on hand in storage facilities and on the farms.

In any event, the Government's view is that there is a large surplus of close to a billion bushels of wheat, and to reduce it the Government has resorted to this program of paying $6 for every acre put into summerfallow or perennial forage. The program cannot be as negative as Senator Argue suggests, for, as my interjection indicated, it has received the support of the Premier of Alberta, the Premier of Saskatchewan, and the Premier of Manitoba. The day after Mr. Lang announced the program it received the support of every national farm leader in western Canada.

Hon. Mr. Argue: It did not receive the support of the National Farmers Union.

Hon. Mr. Martin: Not Mr. Atkinson.

Hon. Mr. Argue: Not the national, but you are perfectly right about the position of these grain farmers.

Hon. Mr. Martin: Yes, and I can assure my honourable friend that I believe in the Government's prognostication, perhaps not 22 million acres, but to place it as low as five million, is an understatement. I have every confidence that this plan was carefully conceived. It was based upon advice not from so-called bureaucrats—I do not believe that people serving in the Department of Agriculture or the Canadian Wheat Board should be designated as bureaucrats, if we use that word in the belittling way in which it is sometimes used.

Hon. Mr. Argue: Not at all.

Hon. Mr. Martin: I believe that these public servants do serve government and the farm community well. We are fortunate in this country that we have a public service of such a high level. We have relied on their advice, but not on it alone. Senator Argue knows that Mr. Lang is the first minister in our history who has been assigned by the Government of the day the responsibility of being concerned primarily with this problem. Mr. Lang is a Saskatchewan boy; he comes from a Saskatchewan farm. The fact that he was the dean of the law school does not in any way alter the fact that his family is still engaged in actual agricultural production. He himself, a son of the soil, knows a great deal about the wheat problem. He has dedicated himself to an understanding of this situation, as I am sure Senator Argue would agree, to a very commendable extent.

This is a difficult problem. This is no final solution, but it is an attempt to put the whole problem of wheat marketing at the end of the next year on a satisfactory and balanced basis. Those who oppose this program have the responsibility of showing what else could have been done that would have been as effective to meet the situation.

The best solution, of course, is to sell wheat. The Government, through the Canadian Wheat Board, has been resorting to every device to bring about improved sales. No one can force countries to take wheat if they do not require it, but the sales program of the Canadian Wheat Board is active. The Government has looked at the sales method of the Canadian Wheat Board to see if there is any suggestion of lack of validity in the manner in which they are carrying out their sales policy.

Senator Croll has taken advantage, as was his right and, indeed, duty, to remind us that we have a high level of unemployment in this country. We agree with him on the facts. As the Prime Minister indicated yesterday when he spoke to the Canadian Labour Congress, no one is more concerned about the high level of unemployment than those who are charged with responsibility for conditions in Canada. However, when we consider this problem we should remember that it arose within the course of the greatest period of prosperity that this country, or the world, has ever known. It is not a situation that is peculiar to Canada. It exists in every European country. It is not accurate to say that the problem of inflation in European countries is not as serious as ours or that the problem of unemployment is not. The level of unemployment in the United Kingdom during the last two and a quarter years was greater than at any other period in Britain's history except eight years previously. Therefore, our level of 6½ per cent, high as it is, is not something unique. We have had higher levels of unemployment in Canada before. This does not make the present level satisfactory or palatable. The regional level of unemployment in the United States is every bit as great and in some places higher.

Why do we have this condition? It is not only because the Government is seeking to combat inflation. Certainly the Government is not trying to promote unemployment as an end in itself. Are we not all agreed in this country that one of our major problems, if

not our most serious, is inflation? If we do not act to curb it we create a problem not only for those who have great resources, but for those who work in the factories, the working group, as well as for other groups in the community. The Government said yesterday through the Prime Minister, and I repeat his argument, that we feel we have a responsibility to fight inflation. We are doing it in the way that we believe to be best. If you have a better method, tell us. We are acting on the advice of the Governor of the Bank of Canada, the Economic Council and those who by training and otherwise feel that this is the only course that can be taken short of controls. It is a course which has been followed in the United States and much more seriously and severely in the United Kingdom. The Prime Minister said yesterday "What do you suggest we should do? Have you any other suggestion than the course we are now embarked on?"

We are retrenching, cutting down and urging municipal and provincial governments to reduce their expenditures. As a result of this we are able to produce a surplus this year. This is not to say we gloat in that in the light of the fact there are people out of work, but it does serve as a demonstration of the effectiveness of our retrenchment program, which is anti-inflation based. What solution do you offer? Are we to do nothing? If as a result of this program of curtailment there is a cut in production which results in unemployment, that is regrettable, but what other course can you suggest?

"We are aware of the danger of an overkill", said the Prime Minister. The Government is aware of this. It is very difficult, of course, to say where the line exists.

There is one other solution which the Prime Minister mentioned yesterday to the Canadian Labour Congress. That is an overall system of controls of wages, profits, rents, and so on. The Prime Minister asked what are the consequences of that type of control. Are you advocating that and asking this Government to bring in a system of controls of that dimension? He said, "If you are, then I must frankly tell you that I am not prepared to be the head of a government that will do so, because that can only be done under a different system of government and a different form of society." These are the arguments that have to be faced.

When Senator Croll says that we have unemployment, I recognize his right and duty to point this out, but he also has an obligation to offer an alternative, to offer a solution. I believe the only answer I can make in the absence of being offered a solution is to say that the Government is deeply aware of the seriousness of the situation, is doing everything that it can, and has urged the Economic Council of Canada to urge restraints on business so that profits and prices will be kept in curb for a period. We hoped to get a positive response yesterday from the leaders of the Canadian Congress of Labour and the C.N.T.U., but this was not forthcoming. The Government has therefore, in the face of that reluctance to meet the situation, to do its best to deal with this very serious problem.

The Leader of the Opposition (Hon. Mr. Flynn) confirmed what the committee said about paragraph 4 of the report, and I have dealt with that. I simply want to add that in taking the position that I felt the $100 million item had to be dealt with in the way it was, I do not want that assertion to be construed as meaning the suggestion of the committee is not valid. I believe the committee has served a purpose in recalling to senators, Parliament and the Government, the desirability under our parliamentary system of proceeding by way of the prescribed form of statute.

Hon. Mr. Leonard: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Leonard speaks now his speech will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, all I wish to do is to acknowledge the very interesting speeches we have had from Senators Argue and Croll, and the Leader of the Opposition (Hon. Mr. Flynn) and the Leader of the Senate (Hon. Mr. Martin). I am very happy that this report has provoked such an intersting and informative debate, and I now move the adoption of the report.

Report adopted.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

THIRTEENTH ANNUAL MEETING—DEBATE ADJOURNED

Leave having been given to revert to Inquiry No. 9:

Hon. Lazarus Phillips rose pursuant to notice:

> That he will call the attention of the Senate to the Thirteenth Meeting of the Canada-United States Interparliamentary Group held at Washington, Cape Kennedy, Houston and San Antonio, 10th to 15th March, 1970.

He said: Honourable senators, the hour being somewhat late I shall try to be as succinct as I can under the circumstances.

The subject I will be dealing with is the 13th Meeting of the Canada-United States Interparliamentary Group, held in Washington and other places referred to in the resolution. It was not my intention to give full details of what took place at this series of interparliamentary meetings, because the Speaker of the Senate will himself deal with the subject in due course, and will give a full and detailed survey of the various meetings, as well as the social events that took place. Indeed, I was the junior senator on the delegation, and it is my intention today to deal with only two or three basic aspects of the report.

We arrived in Washington on the day immediately following the announcement of President Nixon involving restrictions on the importation of oil into the United States from Canada. At the important social event that took place before our detailed committee meetings I was given the honour of speaking on behalf of the Senate in reply to the American speakers, and I then referred to the restrictions that had been put on oil importation. I stated that all the Canadian senators and commoners had been given their allotment of oil from Canada to take down to Washington in order that we may pour oil on the troubled waters in dealing with the subject matter of the sovereignty of the Arctic, integration of power resources, NATO and other items that clearly would be the subject of discussion, but that when we reached the border the American customs officers had taken the oil away from us on account of President Nixon's announcement the day before. Under the circumstances, I therefore advised my American listeners particularly that they should expect in the discussion the following day that some of the observations made by us, because of our lack of oil, might be critical and somewhat abrasive.

I should point out that the Canadian delegation divided itself into two groups. One group dealt with Canadian defence and Arctic sovereignty. I was not a member of that committee, and I have reason to believe that Senator O'Leary will probably deal with that matter when he addresses you. I joined the group of senators dealing with economic and trade matters. We had the great honour that our Speaker headed the delegation, not only of senators but also of commoners dealing with that matter when when we sat down to work for a full day's discussion with representatives of the American Senate and the American House of Representatives.

In these discussions we dealt mainly with restrictions on oil importations, integration of a continental energy policy, pollution, inflation and the automotive pact. With regard to the automotive pact, I should like to pay my respects to and compliment Senator Willis for a very fine contribution to the discussions that took place in committee. We also dealt at some length with pollution and the necessity for very close co-operation between the two governments on this important and serious matter. My understanding is that on the subjects of a continental energy policy, inflation, the automotive pact, and so on, we will be hearing from honourable senators who took part in the deliberations at that time. I will therefore confine myself today to the very slight contribution I made in committee in dealing more specifically with the subject matter of the balance of payments between our two countries and, in relationship thereto, the very relevant question of the high amount of United States investment in our country.

I pointed out to our American friends that the United States of America was really a fortunate country in the nineteenth century, the reason being that in the nineteenth century it was more fashionable and considered to be a more conventional way for an investor to buy bonds. The United Kingdom investor was a main creditor in the development of America in the nineteenth century. It bought bonds, and in the course of time these bonds were amortized and hence repaid, and in the result the people of the U.S.A. remained in control of the equity position of the basic economic resources of their own country. I pointed out to the American senators and the American members of the House of Representatives that we in Canada were not quite so fortunate in this respect in the twentieth century, because it has become fashionable for investors to buy equity stock. When an investor buys equity stock you become more or less subject, by way of perpetual economic servitude, to the person who owns the equity stock, because there is no way in which you can force the owner of the equity stock to sell it unless you proceed on a totalitarian basis, which we in Canada do not propose to do.

I therefore pointed out to them that we in Canada were in a very unfortunate position, that as much as we liked American investment and their money coming into this country, which we appreciated in order to help us in the development of our country, we found

ourselves in a position that we could not retrieve the control of our economic destiny in the same way as the United States had done through the latter part of the nineteenth century or in the first two decades of the twentieth century.

The question was then put to me, "Well, what do you do under these circumstances, having regard to your problem?" I then stated to them the following propositions. I made it clear that these suggestions on my part might be regarded as slightly provocative or slightly disturbing to my American listeners, and that they represented purely and simply my personal views and certainly not the view by way of consensus of the delegation at large, and certainly not the view of the Government in Canada. I suggested the following approaches with a view to retrieving a portion of the Canadian equity now lost to the United States investors. I suggested first that, with respect to key major investments in Canada existing at the present time, contact should be established with parent organizations in the United States in order that Canadian subsidiaries should recapitalize their structure to create substantial funded debt and low equity base so that Canadians will be offered, say, one-third of such equity base at a modest price.

Now, exactly what does that mean? On a practical basis I pointed out that I was referring to, say, 200 key subsidiaries in Canada of top giant American concerns. Let us assume that the original investment in one of these subsidiaries was $5 million, and let us assume that there was an accumulated undistributed surplus of another $15 million. That would be $20 million book value. Let us also assume that the true worth, having regard to the ratio of earnings per share, having regard to prospects for the future, would increase it by another $10 million to $30 million. I suggested that this subsidiary in Canada, having a real worth of $30 million, should recapitalize itself with $25 million worth of funded debt, amortized, say, over a period of 30 years and with a remaining $5 million of equity base so that Canadians could purchase one-third of that equity base, that is to say one-third of $5 million. In that way, Canadians would get a future participation in a company which today had a worth of, say, $30 million.

I think that my American listeners were a little disturbed at the retroactive effects of that approach, and I made it very clear to them that I was not in favour of statutory or compulsory treatment. I suggested that this could be accomplished if there was good will on both sides of the border and if the Americans appreciated our problem and would cooperate with us with a view to bringing this about by way of negotiation in a manner that I will indicate later on in my remarks—through the medium of a pilot plan operation.

My second suggestion was that in regard to future investment, from now on there should be a high funded debt ratio to equity and that here again Canadians should be offered one-third of such equity base. This means that if an American wished to come into Canada and invest $5 million, that $4 million should be by way of funded debt and amortized over a long period, and there should be $1 million worth of equity stock and, of that $1 million, one-third should be offered to the Canadian public. In that way we would be getting a true participation between our American friends who have confidence in our country and the Canadians who would have the opportunity to be partners with our American investors in a telling and a serious way.

The third point I made in committee was that I warned the American delegates that Canada was concerned about its defence industries and a reasonable retention of control of its natural resources, and that they should expect in the future a Canadian emphatic position with respect to this matter.

Some of my listeners here today were at the committee meeting in Washington and they will remember that by sheer coincidence this observation preceded what transpired subsequently in recent weeks in Canada with respect to the Denison matter. In making the foregoing suggestions, I did not have the time in Washington to deal with the mechanics to bring about the foregoing objectives.

I should say at once, before dealing with specific mechanics, that I do not entertain the view that every Canadian company should have a 51 per cent Canadian equity ownership. I certainly do not accept the view that this should be done by legislative or governmental compulsion.

With respect to the mechanics referred to above, and dealing with investments to date, I think the matter could be handled by a process of persuasion and tax incentives. A pilot plan operation could be started by contacting major parent corporations in the United States of America to see what could be done with respect to wholly-owned subsidiaries in Canada.

In connection with existing and future investments, that is the ratio of funded debt to equity stock, this policy should be handled

by direct negotiations with the parties in interest and with the right to offer tax incentives to reach the desired objective.

The tax incentive could be by way of a reduction of tax rates, that is to say, to wholly-owned subsidiaries who would follow the plan I have in mind of high funded debt to low equity base, through recapitalization of existing companies or through high funded debt and low equity capitalization in the future. We might consider a variation in the withholding tax, drawing a distinction between interest on funded debt and dividends on equity stock. That is to say, if there were high funded debt and low equity stock, and if my plan and suggestion were followed, the Government of this country might consider even the elimination of withholding taxes in respect to interest paid on high funded debt, as an inducement to the American investor to establish his high ratio of borrowed money as against equity stock.

These may appear to some of my listeners as highly technical tax and corporate questions, but I am perfectly convinced that if the Government of Canada were to appoint a limited group of experts—say, two or three, not more—and gave them the authority to talk to the heads of the leading corporations in the United States who have major investments in this country, that by persuasion and tax incentives cumulatively, we could bring about a revolutionary and basic change in the status of American investments in this country now and in the future.

I am of the opinion that some of the malaise in our national mood at the moment, and in the resulting unrest, is due in part to a well defined feeling that we have lost and are continuing to lose control of our national heritage. This brings about an impairment of pride in our country and reduces an appreciation of our rightful status as Canadians.

My views in this respect should be related to the opinion I expressed in this chamber when I spoke in reply to the Speech from the Throne last autumn, that there should be a common market between Canada and the United States. We overlook the fact that as one of the great trading nations of the world we have a very limited domestic market, and for that reason we are particularly vulnerable in respect of our balance of payments in its relation to foreign investment.

In this connection I should like to draw the attention of the chamber to an article in the *Canadian Tax Journal* for November and December, 1969, Vol. XVII, No. 6. This article, written by Messrs. John R. Allan and John J. O'Callaghan, deals with the Sixth Annual Review of The Economic Council of Canada. On page 437, we read the following:

> There is no mention in the Review of the potential difficulties for Canada stemming from the fact that it is one of the few advanced countries entering the 1970s without relatively free access to a major market. Unlike the western European countries, which are provided access to huge markets by virtue of their membership in one or other of the major trading blocks, or the United States and Japan, each of which enjoys a very large domestic market, Canada is dependent upon a relatively small domestic market and upon its ability to gain access to the markets of other countries across their obstructive tariff walls.

Some of the thoughts that I have expressed here seem to be sympathetic to the Report of the 1957 Royal Commission on Canadian Economic Prospects which was held under the chairmanship of a distinguished Canadian, the Honourable Walter Gordon. There was some merit to the lyrics of Mr. Gordon's views, but the collaborators who provided the music to such lyrics left much to be desired. I should like to feel that through persuasion and tax incentive we can bring about a repatriation of Canadian equity and the machinery for participation in Canadian equity from now on. I, for one, would hesitate to cross into the territory of statutory or legislative compulsion.

What we seem to overlook in Canada, however, is the vital point that if we wish Canadians to participate in equity investment, the climate, economic, fiscal and monetary, should be such that Canadians would have a chance to build up their savings. This phase is referred to in an article in the *Financial Post* dated March 21, 1970, by W. A. Macdonald. I quote from this article:

> This raises again the question brought up a few years ago by former Finance Minister Mitchell Sharp and Bank of Canada Governor Louis Rasminsky of the need for a national savings policy to reduce reliance on foreign borrowing. The question was never answered by subsequent finance ministers.

Inviting Canadians to take an equity position without their having the resources would be as realistic as watching a hockey game

without a puck being put into play or as satisfying as inviting gourmets to a sumptuous meal if all the diners were toothless.

This is not the time or the place to deal with the White Paper. In due course you will be receiving reports from the Standing Committee on Banking, Trade and Commerce, and I express at the moment my own views only. I believe that the most vital factor to consider in the White Paper is whether it is conducive to savings by Canadians.

In this connection I was given by my colleagues in the Standing Senate Committee on Banking, Trade and Commerce the privilege of leading off in the examination of our first witness, Mr. Bryce of the Department of Finance. Some of the questions I put to him dealt specifically with the matter of savings. At this stage I do not think it improper to invite honourable senators to study the examination of Mr. Bryce. It is very significant that today in Montreal the current conference of the Canadian Tax Foundation —a foundation of which I had the honour to be President many years ago following the late Mr. Kenneth Carter who contributed somewhat to the philosophy of the White Paper—considered the subject matter of savings in relation to a proper study of the White Paper to be of paramount importance.

The reason I refer to this and why I regard it as relevant to the subject matter of my report of what took place in Washington is that there is no sense in bemoaning our fate, in dealing with the economic servitude that we have in relation to the Americans; there is no point in saying that we want Canadians to invest in Canada's future; there is no relevancy in expressing these attitudes unless there is developed a sound, constructive policy, having regard to the complexities of our country, regional and otherwise, pursuant to which policies Canadians will year in and year out be able to retain the fruits of their labour and the fruits of their investment so that the residual available after living expenses and available after the payment of taxes will be at the beck and call of Canadians in order to make these investments to which I refer.

I emphasize that I am not at all expressing any views at this stage as a member of the committee in respect of any specific suggestions related to the White Paper. This will come later as a result of the deliberations of the committee itself. All I am doing is discussing that aspect of the White Paper in relationship to the subject matter of savings, because, in the process of either supporting or not supporting it, not sufficient emphasis has been laid thereon.

We have dealt this afternoon with the subject of inflation; we have dealt with the subject of foreign investments; we have dealt with the subject matter of price and wage stability, to which our leader referred a few moments ago in justification of the fight against inflation so that with price stability those of lower brackets of income or those who are retired will be able to buy their services and commodities at proper prices. Savings, honourable senators, have a vital effect on all these items. They have a vital effect on the three great problems in the economic sphere. Firstly, through savings we obtain a curb on inflation because it reduces demand for services and commodities. Secondly, through savings we will provide the funds for Canadian participation in Canada's business expansion. Thirdly, through savings we provide increased investment opportunities, and through such increased investment there should be made available more commodities for sale. With such savings, with increased commodities available and with reduced demand resulting from savings, there should be a consequential stabilization in prices and in services.

Honourable senators, before concluding I ask you to realize that with the short time at my disposal, and it being the end of the afternoon, I have attempted only to cover the high spots. I trust that I have done so with sufficient clarity and precision as to warrant further serious discussions as we proceed with this debate.

In conclusion, I simply want to refer to the basic simplicities of life which we sometimes lose sight of as we go on, as we learn more, as we read more books, as we listen to more opinions. Somehow or other as we seem to get more sophisticated we become less rational. I owe my father and mother two great contributions they made to me in the fashioning of my life. One was an insistence that I should love and fear my God with reverential respect; the second important message they gave me was this: "Our dear son, make a dollar and spend $1.01 and the consequent result is misery. Make a dollar, our dear son, and spend 99 cents and you will find that the result will be great happiness." I think we in Canada in these days of tumult, excitement, recrimination, insult and the like should come back to an appreciation of these two very simple rules, that is, of realizing our

responsibility to our Maker and of getting down to earth in proceeding quietly and in co-operation with other Canadians to produce, and, after we produce through our efforts, to save. I think if we do these two simple things it will be amazing how many of our problems will be solved.

On motion of Hon. Mr. McDonald, for Hon. Mr. Deschatelets, debate adjourned.

BUSINESS OF THE SENATE

Hon. A. Hamilton McDonald: Honourable senators, may I remind you that immediately upon the Senate's rising there will be a meeting of the Standing Senate Committee on Internal Economy and Contingent Accounts. That will be followed approximately 30 minutes later by a meeting of the Standing Senate Committee on Health, Welfare and Science Policy.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate, and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until tomorrow, Wednesday, March 25, at 2 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 25, 1970

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
OTTAWA

25 March 1970

Sir:

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, March 25th, at 5.00 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau,
Brigadier General
Assistant Secretary to
the Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

APPROPRIATION BILL NO. 1, 1970

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-200, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1970.

Bill read first time.

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

SECOND READING

Hon. T. D'Arcy Leonard: Honourable senators, with leave of the Senate, and notwithstanding Rule 44(1)(f), I move that this bill be now read the second time.

It is not necessary for me to say a great deal, having in mind that this is the last appropriation bill for the fiscal year ending next Tuesday, March 31. The bill is based on Supplementary Estimates (B) which were referred to the National Finance Committee. As you know, that committee reported to the Senate the day before yesterday, and the debate on that report took place yesterday. This bill is based precisely on those Supplementary Estimates (B).

The amount to be voted is $215,967,147 of expenditures, which is the amount that is in the supplementary Estimates, and $41,614,752 of Loans, Investments and Advances, making a total of $257,581.899.

The bill is in the usual form of final supply bills. I do not know if I need add anything further, other than to say to anyone who was absent yesterday when the report was debated, or anyone who has since had any questions arise in his mind, that it is quite in order to speak in those circumstances, and I shall do my best to answer any further questions that arise.

Hon. Mr. Grosart: Honourable senators, I would ask honourable Senator Leonard one question. On an earlier occasion he said that there might be a revision of Vote 17b, Department of Agriculture, a revision of the original printed Estimates. Could he inform the chamber as to where that revision now appears in a public document?

Hon. Mr. Leonard: Honourable senators, I appreciate the question asked by Senator Grosart.

Actually, the Miscellaneous Estimates Committee of the other place recommended two changes in the Supplementary Estimates (B) as they were dealt with by this house and by the committee. But yesterday, after a certain amount of discussion, the House of Commons passed the bill on the basis of the supplementary Estimates as they were originally filed. Therefore, no change was made in Supplementary Estimates (B) and the bill itself follows identically the Supplementary Estimates (B) as they were before us in committee.

Hon. Allister Grosart: Honourable senators, I wish to make a few comments on the report of the committee. I start, of course, by saying that this is a unanimous report of the committee and that I am in full agreement with it.

I repeat what I have said on several occasions when such bills have been before us. Once again, I compliment the chairman of the committee on his great accomplishment in

conducting the meetings of the Finance Committee and achieving the very special results in terms of detailed examination of the public accounts and the Estimates. That is, I hasten to say, not a mere *pro forma* compliment.

I am convinced, from some examination of the total parliamentary process in respect of the Estimates and the accountability of the Government to Parliament, that Senator Leonard personally has made a very significant contribution to the public interest in bringing about a kind of examination which was not taking place, and has not taken place, elsewhere in this Parliament. The report once again indicates in a very brief way some of those achievements.

The report is numbered in five paragraphs and, accordingly, I will deal with it paragraph by paragraph. The first paragraph merely states that the committee has, with respect to the said Estimates, heard evidence from Mr. J. L. Fry, Assistant Secretary, and Mr. Bruce MacDonald, Director General, both from the Treasury Board.

Senator Leonard introduced an innovation this year relating to some problems that arose in reconciling the Estimates with the general views of the committee as expressed in the past. He arranged that these two important officials of the Treasury Board come, first of all, before the steering committee of the Standing Senate Committee on Finance and then before the whole committee. In my view, that is a very useful innovation because it gives us an opportunity to examine officials in detail in a way that is not always possible in a large committee meeting. On that occasion the officials were most co-operative and very frank and, I suggest, were in private rather more sympathetic than officials generally are to the kind of concerns which Members of Parliament in the other place and here are inclined to have about the system of non-disclosing shorthand which has developed over the years in the procedure of translating Government decisions into Estimates, supplementary or otherwise, and then into acts of Parliament.

The important factor that I suggest honourable senators should keep in mind in respect of the bill before us is that it is an act of Parliament. It does much more than merely allocate or ask the approval of Parliament and, when passed, carry the approval of Parliament for the expenditure of certain sums.

Having said that, I come to the second paragraph of the report which deals with the total amounts involved. At face value the figure in the bill and in the Estimates, as reported by the committee, is correct. Having used the word "disclosure", however, I point out that there is always in the Estimates as presented to us an element of non-disclosure in the "fine print." In these Estimates, in addition to the amounts reported by the committee, there is an additional $19 million of public funds being transferred from one vote to another which is not included in the total before us. This $19 million in the second supplementary Estimates covers part of the financial year, and I think it is important that honourable senators be aware of that fact if we are going to do the job I think the public expects of us here. We have to examine not only the figures in the right-hand columns but also those that appear in the text on the left-hand side.

In paragraph three of the report of the committee honourable senators will see this sentence:

> Your committee reiterates its concern about the practice of making statutory changes by means of Appropriation Acts based on supplementary Estimates.

If honourable senators care to examine the two relevant documents, one of which is the supplementary Estimates themselves and the other the bill before us, they will find a great difference between the two in an item which I shall come to in a moment. For example, there are 20 or 30 lines in the Estimates dealing with this vote which was the subject of my earlier question to Senator Leonard, but when we come to the bill itself we find there are only two lines.

On page 4 of the bill, the supplementary Estimates as asked for by the Department of Agriculture, there is an item 17b, which was the subject of considerable discussion in paragraph 4 of the committee's report. When the representatives of the Treasury Board were before us in open committee, they informed us that they had reason to believe that the request for approval of the item as it stands in the supplementary Estimates would not be effective. I asked Senator Leonard if there had been some amendments made and, if so, were they available in a public document. The reply which I have just had is that it was decided not to make those changes To me this is an amazing situation because we had before us, and it will appear in our proceedings, the evidence of the officials that the act—this new Wheat Board Act, because that is

what it is—might not be effective in the wording as it appears in the supplementary Estimates. If this is so, I am wondering how this complete change in our agricultural policy, involving the payment of $105 million, is to be effective if it is covered by only two lines in an act of Parliament.

Honourable senators, this raises the whole question that is discussed in paragraph 4, namely, this almost unbelievable practice of asking Parliament to approve substantive legislation in an appropriation bill. Unless I am reading the bill improperly, I say that we are now being asked to make an extensive amendment altering the entire wheat policy of the Government of Canada in two lines in an appropriation act.

I have said on an earlier occasion that this is probably the old story of a small bad habit becoming a big bad one. That is why I am personally glad to see that the committee has again drawn to the attention of the chamber the usual but unjustifiable practice of making statutory amendments by $1 items.

Of course, what happened was that someone, a long way back, discovered this interesting fiction, this expedient, this device. Over the years in our committee meetings we have asked the officials, "Why do you do it this way? Why do you amend acts of Parliament with a $1 vote?" Their invariable answer has been, "This is the only way we can do it if we want to get quick action." They have also said, "The parliamentary process is so slow and cumbersome, we know that if we want to get something done quickly all we have to do is slip it into an appropriation bill, particularly into one covering supplementary Estimates, and it will go through Parliament just like that." That is what has been happening.

These bills come to us from the House of Commons at the last minute. There is an imposed executive deadline; there is seldom any thorough discussion. I must say, however, that the situation has improved recently in the other place by the reference of the Estimates to special committees, but still there is not at this time a thorough-going examination of the expenditures. Yet when we are asked, as we are in the case of this bill, to amend acts of Parliament by an appropriation bill for no other reason than that it is the easiest way to get it passed by the Members of Parliament.

I have a suggestion to make at this time, because I have given some consideration as to what better way there might be. I appreciate the qualification in the committee's report, that there are times when the use of an appropriation bill is justified, but there are more times than not when, in my view, it is not justified. The suggestion I am going to make, for what it is worth, is that in future when we have an appropriation bill before Parliament which amends existing acts of Parliament, it should contain a final clause to the effect: "The following acts of Parliament are hereby amended." Then we could at least be in a position of having an amendment of an act of Parliament recorded. As I have said before, there are innumerable cases of amendments by appropriation act which never appear in the Revised Statutes or even in the office consolidations.

If the law of Canada is not to be found in the Revised Statutes of Canada or, during the interim between revisions, in the office consolidations of acts of Parliament, then surely amendment of acts of Parliament by this method is an invalidation of any statement that the statute law of Canada is to be found in the laws as officially published from time to time.

I could give many instances of this. There is one in this bill. It is to be found on page 13, in the schedule under "Loans, Investments and Advances". Vote L97b under "Industry, Trade and Commerce" reads as follows:

> To increase to $1,950,000 the amount that may be charged at any time to the special account established by Vote 657, Appropriation Act No. 2, 1952 for advances to posts and the employees abroad—

Here we have an example of an amendment to an existing act made by one of these transitory appropriation acts, and nobody has thought it important enough since 1952 to incorporate this piece of temporary work into the Statutes of Canada. So, we are asked again—and I regard it as an insult to my intelligence when I am asked to do this—to approve the continuation of this kind of slipshod practice.

Why should we be faced today with a request to approve the continuation of this kind of legislation? We live at a time when the Government of Canada is insisting—and I think quite rightly—on a higher degree of disclosure in financial statements. They are asking it from business and to some extent, although perhaps not enough, from the unions, and from others such as charitable organizations. I suggest it might be an excellent exercise for one of the existing task forces—I do not suggest the appointment of

another one, because I think we have enough already—to consider the matter I have just raised.

The fifth paragraph of the report deals with the same matter. The suggestion is made there, which is perhaps a modification of the one I have made, that these statute changes be noted marginally. I do not think this is enough. We have to go beyond mere marginal notices. We have had enough of that particular device as well.

Finally, because these are the final supplementary Estimates for the fiscal year just ending, we are dealing with consideration of the total government expenditures for the year. One of the recommendations of the committee was that there should be a relationship maintained between the growth in federal expenditure and the growth of the G.N.P. There is some evidence in the record of the last year that some attention has been paid to that. However, if we look at the 1969-70 figures we find that our expenditures are higher and in excess of the growth of the G.N.P. I merely say that I believe the recommendation made by the Standing Senate Committee on National Finance on previous occasions was an excellent one, and unless it is given serious attention by the Government we are going to find ourselves, before very long, in a position where the demands of the Government on the economy will be self-defeating. There have been many studies as to what a justifiable level might be. At the moment we are not quite sure in Canada—because the figures from the Economic Council of Canada and others are conflicting—as to what is the present, if I may use the term, "total Government take" from the economy. The figures range somewhere between 35 per cent and 40 per cent. There must be a practical limit somewhere. If we are to continue increasing the Government percentage of "take" from the productivity of this country, we will reach a point of self-defeat for the Government itself.

One of the ways this country can go broke is by having too high an administrative cost of running the country. This applies to almost any business or organization. I call attention at this time to the warning by Senator Leonard's committee. I trust it will be given more attention than it appears to have been given at the present time.

Hon. Mr. Bélisle: In Bill C-201, page 10, Vote 1 reads:

> Privy Council Office—Program expenditures including maintenance and operation of the Prime Minister's residence—

[Hon. Mr. Grosart.]

The Hon. the Speaker: Order; we are considering Bill C-200 now. Bill C-201 will be called within a few minutes.

Hon. Mr. Martin: You have given us an opportunity to think about the answer.

The Hon. the Speaker: May I inform honourable senators that if the honourable Senator Leonard speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, I would be remiss in closing this debate if I did not acknowledge with thanks the kind remarks Senator Grosart directed to the chairman of the committee. I should also say a word with respect to one or two of the pertinent remarks he made as to the report of the committee.

In connection with his question with regard to the change in Supplementary Estimates (B), I wish to make my own impression clear that it was not the officers of the Treasury Board who indicated that there would be a suggested change in the supplementary Estimates. My understanding is that they were conveying to us the information that the Miscellaneous Estimates Committee of the House of Commons were recommending such a change in their report. While there may have been some ground for that recommendation, as far as we are concerned, apparently it was not accepted by the Government or by the House of Commons. Therefore, the bill as it comes before us is based exactly on the supplementary Estimates, regardless of what a committee of the other place or some people in the other place may have thought should be changed in it. I think that that is all I need add at the present time.

Senator Grosart has made a suggestion with respect to the addition of a clause in the supplementary Estimates and in the appropriation bill as to the amendment of statutes. That is a matter that could be considered in the future, although my own opinion as a lawyer having to refer to statutes would be that marginal notations would really be more effective than its mere inclusion in an appropriation act.

That is all I have to say, honourable senators. I commend to you the second reading of the bill.

Hon. Mr. Grosart: In explanation of my earlier remarks I should say that I fully accept the statement of the position as it was, which has been given by Senator Leonard. I

was perhaps shortcutting when I said that the officials had given us certain information. I did not intend to convey the impression that they were conveying their own message, but that it was a message from elsewhere. I thank Senator Leonard for making that clear.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. T. D'arcy Leonard: Honourable senators, with leave of the Senate and notwithstanding Rule 45 (1) (b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 2, 1970

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-201, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March 1971.

Bill read first time.

SECOND READING

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

Hon. T. D'Arcy Leonard: Honourable senators, with leave of the Senate, and notwithstanding Rule 44(1)(f), I move that this bill be now read the second time.

Honourable senators, now that we have closed the books of the old year, we are about to open the books on the new year. This is the first interim supply bill based on the main Estimates for 1970-71. The Estimates total some $13,752,294,000, consisting of budgetary expenses of $12,909,786,000, and Loans, Investments and Advances of $842,508,000. The bill proposes to authorize an appropriation sufficient to carry the Government's expenditure through until the end of June.

Honourable senators will recall that until about two years ago the main Estimates were dealt with in the other place in Committee of the Whole, and it sometimes took almost twelve months before those Estimates were finally passed and approved. In the result, Parliament moved along with votes of one-twelfth and two-twelfths and so on until the final vote took place close to the end of the fiscal year. In the meantime, the Standing Senate Committee on National Finance was studying the main Estimates throughout the year until the final appropriation bill reached us.

All of that was altered when the rules of the other place were changed. The situation now is that the main Estimates are referred to the various committees of the other place, and they must be dealt with and reported back there by May 31. That gives the other place the opportunity to approve final supply before the end of June.

I think all honourable senators will agree that this is a much more efficient way of dealing with the Estimates. The result is that when the main Estimates are referred to the Senate we, too, have until May 31 to examine them and bring in our report, so that by the end of June the Senate can deal with and pass all the appropriations for the whole fiscal year based on the main Estimates, leaving only the supplementary Estimates towards the end of the year.

With that in mind, the situation now is that Parliament is asked to grant three months' supply to carry the Government through until the end of June. By that time the main Estimates for the year will have been approved and passed. That is the basis upon which we are now being asked to deal with the bill appropriating in general three months' supply.

As honourable senators know, the main Estimates have been referred to the Standing Senate Committee on National Finance, which is studying them and will continue to do so for as long as is necessary, until May 31, and its report will be in the hands of the Senate prior to the appropriation act that takes care of the balance of the main Estimates for the year. Therefore, any questions honourable senators have on the main Estimates now or in the future can be referred to that committee and dealt with by it.

I should say, however, that there are some votes which require more than three months' supply. That is understandable, because votes in all departments cannot operate on an even basis throughout the year. Consequently, honourable senators will find in Schedules A, B, C, D and E of the bill votes where an additional one-twelfth or more is required. As an example, I would refer to Schedule A, the first item, Vote 20, under Finance and covering the Insurance Department. While it does not show specifically against that vote, the Insurance Department has revenues coming in from fees from insurance companies and

others. Those fees do not come in evenly throughout the year, so this bill requests an additional six-twelfths of the $533,000. In all, the vote of the Finance Department would then be nine-twelfths, being the general three-twelfths plus an additional six-twelfths which will carry it through until the end of June, leaving another three-twelfths on which to finance the rest of the year.

The bill also covers the borrowing powers of the government for the year. It authorizes borrowings up to $2 billion. It also cancels what is left of a similar borrowing power authorized a year ago. In other words, a year ago $2 billion was authorized. The Government used as much of that as it required. The amount requested is generally in excess of the actual amount required, so that the Government may take care of any emergency that arises. This bill cancels whatever is left of last year's authorized borrowing power and provides a new authority for $2 billion for the whole of the current year.

The bill is in the usual form of interim supply bills. It makes clear that no vote is completely released. Therefore, I can give the usual undertaking that it does not interfere in any way with the freedom of senators to exercise all the privileges they now have with respect to any vote, notwithstanding that we are granting anywhere from three-twelfths to nine-twelfths of that vote. That undertaking as to the rights of honourable senators continues and applies in committee and in the Senate, whenever they wish to exercise it.

That covers what I wish to say, but if there are any questions I will do my best to answer them.

Hon. Allister Grosart: Honourable senators, once again we have to thank Senator Leonard for a very clear explanation of what we are being asked to do in passing this first appropriation bill of the current fiscal year.

This is, of course, an interim supply bill. We have had many of them before us on previous occasions. Senator Leonard has spoken of the greatly improved system in the procedure preceding the time that a bill such as this comes before us. I agree with him entirely, that the change in the rules of the other place by which the Estimates are now referred to specific committees with a reporting deadline, rather than dragging them over the whole year in Committee of the Whole, is a very progressive step forward However, we are still in the same old position, here because we have received this bill at the last minute. The difference between this bill and Bill C-200, which we have just passed, is that under our own procedure we had, with respect to the previous bill, a report from our own Finance Committee, and on the basis of the study by the committee and its report, members of the Senate were prepared to pass that bill. We have no such report on this bill, although we have an excellent explanation from Senator Leonard.

I have suggested on previous occasions that interim supply bills should be referred by the Senate to the Standing Senate Committee on National Finance, and I repeat that suggestion today. The answer that is usually given is that it is "just interim supply" and that it is merely a bill which says that we will advance to the Government certain amounts of money subject to examination by committees on the Estimates before them. Of course, it is also true that the main Estimates have been before our committee. There is a difference, however, between an examination of the main Estimates and an examination of a particular bill such as this which does much more than merely allocate a certain sum of money. It is much more than an advance.

Again, this is an act of Parliament and there are matters dealt with in this bill which go beyond merely an advance to the Government to meet its requirements between now and June. In fact, it was not very long ago that the Government took refuge in a supply bill to justify an action taken by the Government that would otherwise certainly have been constitutionally unjustifiable and morally something less than justifiable.

I suggest to honourable senators that on this occasion we should insist that we be given the opportunity to refer these interim supply bills to our committee. It is completely beyond me to know why these bills invariably come to us under the gun of a pending recess or adjournment. I am not going to ask Senator Leonard to explain it, but I hope that some day someone will explain to my satisfaction why this particular bill could not have been before us two or three weeks ago. I know of no procedural reason for the delay. It seems to me that if the officials were given a deadline of this day, which happens to be the last day on which Parliament will be sitting before the Easter recess, surely they could have been given a deadline of a day two weeks or even a month earlier.

The basic material in this bill before us has all been prepared for many months, and it has been in a public document for a number

of months. Why can we not have bills like this before us under conditions which will not be an insult to the intelligence of honourable senators? I say it is an insult to be in the position that one hour ago I inquired of our own staff for a copy of this bill and none was available. It was available only a half hour before this chamber sat at 2 o'clock.

I suggest, honourable senators, this is not the way for Members of Parliament to do public business involving the spending of the amount of money that we are being asked to approve in this case. I suggest again, as I did earlier, that the small bad habit is becoming a big bad one. I would be interested to know if there is any other explanation, except just sheer bad habit, behind the fact that we received this bill today in the precincts of this chamber half an hour before we sat. This is perhaps something that could be considered by those who have the management of the work of this chamber, and I would hope that the time will soon come when we will not be so concerned about adjourning or recessing and will say to the Government, "No. We want more time to discharge our responsibilities to the public."

Some Hon. Senators: Hear, hear.

Hon. Rhéal Bélisle: Mr. Chairman, I would like to raise a question now as to Bill C-201, which we are presently dealing with. My question is under Vote 1, page 10, Privy Council which states:

> Privy Council Office—Program expenditures including maintenance and operation of the Prime Minister's residence, and the payment to each member of the Queen's Privy Council for Canada who is a Minister without Portfolio of a salary of $7,500—

The total is $5,359,700. Unfortunately, I am not a member of the Standing Senate Committee on National Finance. I heard the chairman say that the best place to ask the question would be in the Finance Committee. But, if I may, I should like to ask a short question Is the salary of $7,500 to be paid only to the present Minister without Portfolio or is it to be paid to all those who have been appointed Privy Councillors or who are entitled to use the suffix P.C.?

Hon. Mr. Bourget: I would be very glad to get it.

Hon. Mr. Flynn: As a member of the Privy Council, I can answer that in the negative.

Hon. Mr. Grosart: I thought Senator Belisle might be about to move an amendment.

Hon. Mr. Flynn: Honourable senators, the sum set out appears to me to be quite impressive, if it concerns only the maintenance and operation of the Prime Minister's residence and the payment of the special salary to ministers without portfolio. Program expenditures, of course, are the key words. I wonder what is included in that.

Hon. Mr. Martin: The word is "including".

Hon. Mr. Bélisle: In other words, my question is this. If there are but a few present ministers without portfolio receiving it, and if it concerns the maintenance of the Prime Minister's residence, why is it over $5 million?

Hon. Mr. Flynn: Who is on the payroll?

Hon. Mr. Martin: And "including". "Program expenditures including".

Hon. Mr. Leonard: Honourable senators, I am glad some of the members of the Privy Council can answer the first part of Senator Belisle's question better than I can. As to the second part, to answer the question properly would require a study of the Privy Council items in the main Estimates. The particular item about which the senator is inquiring is set out there. It describes the program of activities, and gives the details of the various expenditures making up the $5 million.

It might be that if one had a little time to look over these Estimates, one could answer the question now. In any event, probably the best way would be at a committee meeting, to make sure that either it is answered by what is shown in the main Estimates as printed, or that it is answered by a member of the Privy Council Office coming before the committee. I can assure Senator Belisle that either one or the other will be done.

Hon. Lazarus Phillips: Honourable senators, personally as a member of the Standing Senate Committee on National Finance, I would like to record again my appreciation of and profound esteem for Senator Leonard, and for the extraordinarily efficient way in which he directs the deliberations of this committee.

The only point I would like to make is one which I made last year and this is by way of repetition, possibly of my own personal idiosyncracy, with respect of the subject matter of statutory limitation to the national debt.

I feel that my observations are relevant, because of clause 5 of the bill before us now,

authorizing the raising of loans up to $2 billion.

I have repeated before, and I should like to record again in this chamber, my view that the expenditures of Government will never be properly controlled if we attempt to relate them to gross national product, because G.N.P. in any given year can only be determined, of course, long after the close of such financial year. In any event, there are so many uncertainties in relation to this, that it is a haphazard exercise.

My view has been previously recorded, and this will probably be my last opportunity to record it again. Therefore, I would like to have it on the record that I think the only way to curb the executive, in so far as federal expenditures are concerned, is to see that Parliament, in any given year, by statute, imposes a statutory limitation on the national debt of our country.

I know that there are various ways in which we deal with the national debt. We have gross national debt and net national debt. I am assuming a formula which would be known to all, that is to say, to the executive as well as to Parliament. Assuming that we arrive at such a formula, it is my view that when we make appropriations in the current year, such appropriations and borrowing powers given to Government should be conditional on the national debt of the country at the close of the current year not being in excess of a certain sum of money.

In other words, if at the end of March 31, 1970, the national debt of Canada is X dollars then we should say that if we are to live within our means, at least that the national debt at the close of the following fiscal year, which we are now commencing, shall not exceed the amount of X dollars, or shall not exceed that amount other than by a percentage—whatever percentage Parliament in its wisdom determines.

Honourable senators, that is all I wish to say. I would like to record that, not as a parting wish but I may not be here for further appropriation bills and I should like to have this on the record.

Hon. Mr. Martin: You should not speak so pessimistically.

Hon. Mr. Phillips (Rigaud): It is my view that this is the way in which Canada will remain solvent.

Honourable senators, I have always dreamed of making the shortest speech in the house, and it may be that I have achieved that objective today.

Hon. Mr. Martin: It certainly is not going to be your last speech.

Hon. Mr. Leonard: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform you that if honourable Senator Leonard speaks now, it will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, may I speak, first of all, to Senator Grosart's suggestion that this bill or any interim supply bill should be referred to the Standing Senate Committee on National Finance. This is a matter on which I do not agree with my honourable colleague.

My point of view is that there is no question which could have been asked at a hearing by the committee, on a reference of this bill to the committee, that cannot be equally effectively asked and answered in the subsequent hearings of the committee.

No vote is released, no right of any senator is prejudiced. The committee will be sitting again as soon as we convene after the Easter recess. It will be sitting regularly, I hope, every Thursday and if there is any question at all with respect to Bill C-201 it can be asked then as effectively as if the bill had gone before the committee yesterday, shall we say.

Hon. Mr. Grosart: On that point, could I ask the honourable senator one question. Would he not agree that there are matters before us in such a bill that are not in the Estimates? For example, would he not agree that it might be a useful exercise for the committee to consider whether the request for three months' supply was necessary at this time?

Hon. Mr. Leonard: Honourable senators, I think the only matter that is in the bill, apart from the Estimates, is exactly the matter to which the honourable senator refers, that is, the additional amounts over three months' supply that are requested. Actually, I have full information with respect to each one of those here now. I did not think it necessary to give to the Senate the details of every one. I picked out one at the Finance Committee, just to show what was happening. I have gone over them all, and they seemed to me to be quite reasonable exercises of the decision to prepay, to advance, some of the moneys; in any event, there is enough money still to be voted that I think in any committee hearing

between now and May 31 we will get all the information we want.

I have assured Senator Belisle that his question will be dealt with. In respect to the question by Senator Phillips (Rigaud), generally, I find myself in agreement with him, but so far I am not persuaded by him as to the ceiling on debt. Perhaps some of these days he will prove to be right and I to be wrong. We have considered the ceiling in our committee and have put the question to various witnesses of some competence and knowledge, and so far I think on the evidence the case is not conclusive towards a debt ceiling. The matter is certainly something to be kept in mind, and I would say further that this clause in the interim supply bill granting the borrowing power has a bearing on the question. True, it is not an over-all debt ceiling but, if we were reaching a stage where the question of an over-all debt ceiling was really important, then of course this clause in the interim supply bill does give full opportunity to Parliament to decide whether or not they want to give the Government an additional $1 billion or $2 billion or whatever might be asked. Every year the Government has to come back to Parliament and get its authority for new borrowings for the year.

Hon. Mr. Flynn: Before the honourable senator concludes his remarks, may I refer to the question raised by Senator Grosart concerning the opportunity of referring such a bill to the National Finance Committee. I ask the question again: Why is the Government asking for three-twelfths of the total amount rather than one-twelfth? I remember that when I as a member of the Government in the other place, the present Leader of the Senate objected strongly if we asked for more than one-twelfth at one time.

Hon. Mr. Martin: Our positions were reversed.

Hon. Mr. Leonard: Honourable senators, I tried to explain that, but apparently I did not do it very well. It is because now all the Estimates are supposed to be dealt with by the committee in a period of three months. They are given March, April and May for that purpose, and on the basis that they are doing their work properly and that the Estimates will not have been studied and the reports not completed until the end of May, the thought is—and it has been approved, I think quite rightly—that we should give three months supply and then deal with the whole thing at the end of that time.

Hon. Mr. Flynn: That is a valid answer, but we could also add that the Government in the other place is saving two other debates on the matter.

Hon. Mr. Martin: Senator Leonard's answer is better than the one you gave me, Senator Flynn, when you were in the other place.

Hon. Mr. Grosart: Perhaps the sponsor of the bill would tell us if any of the Estimates have been approved.

Hon. Mr. Leonard: I have not followed that closely enough, but I have the impression that some of the committees have reported.

Hon. Mr. Martin: That is right.

Hon. Mr. Fournier (Madawaska-Restigouche): I should like to ask Senator Leonard a question.

We have been told by the chairman of the committee on several occasions that all these bills are approved by Parliament. Is that a true statement, or are they approved by the Government in power? I have been in the other place and I have seen many bills that were not approved by the Opposition, and yet we say they are approved by Parliament—that applies to money bills as well. When we say a measure is approved by Parliament, I would assume that it is unanimous and that everybody in the house approves it. The fact is, there is opposition.

Some Hon. Senators: Oh, oh.

Hon. Mr. Fournier (Madawaska-Restigouche): Well, that is my view on it and I am expressing it as I see it. I think when we say it is approved by Parliament, that is a misstatement. It is approved by the Government in power. It makes a difference.

Hon. Mr. Martin: The Government in power cannot approve a statute. It can only recommend a statute.

Hon. Mr. Leonard: To make it clear, what I meant was that it has the support of the majority in both houses.

Hon. Mr. McDonald: And that is Parliament.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. T. D'Arcy Leonard: Honourable senators, notwithstanding Rule 45(1)(b), which requires one day's notice be given for third reading of a bill, I would ask that the Senate give unanimous consent to a motion for third reading of this bill now because of the imminence of the recess.

The Hon. the Speaker: Is it agreed that honourable Senator Leonard move third reading now?

Hon. Senators: Agreed.

Hon. Mr. Leonard, with leave of the Senate, moved the third reading of Bill C-201, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1971.

Motion agreed to and bill read third time and passed.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of the "Canada Year Book, 1969".

Copies of the Official Handbook entitled "Canada 1970".

Report of the Central Mortgage and Housing Corporation, together with a Statement of its Accounts certified by the Auditors, for the year ended December 31, 1969, pursuant to section 33 of the *Central Mortgage and Housing Corporation Act,* Chapter 46, and sections 85(3) and 87(3) of the *Financial Administration Act,* Chapter 116, R.S.C., 1952.

Copy of a Statistical Table entitled "Wages, Salaries, and Supplementary Labour Income, and Corporation Profits before Taxes as a proportion of National Income". (English text).

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

REPORT OF COMMITTEE

Hon. Maurice Bourget, for Hon. Maurice Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, and had directed that the bill be reported without amendment.

[The Hon. the Speaker.]

THIRD READING

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

Hon. John J. Connolly: Honourable senators, with leave, of the Senate, and notwithstanding Rule 45(1) (b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

SENATE ACCOUNTS

FIRST REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Hon. Romuald Bourque, for Hon. Donald Smith, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's first report as follows:

> Your committee have examined the receipts and disbursements of the Senate for the fiscal year ended March 31st, 1969, and have found them correct.

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

Hon. Mr. Bourque: With leave I move that it be considered now.

Report adopted.

MEACH LAKE

EXPROPRIATIONS BY NATIONAL COMMISSION —NOTICE OF INQUIRY

Hon. Jacques Flynn: Honourable senators, I was moved by a letter I received last week from residents of Meach Lake in Gatineau Park—and that excludes honourable Senator Connolly (Ottawa West).

I hereby give notice that after the recess I shall inquire of the Government:

1. Is it the intention of the National Capital Commission eventually to expropriate all privately-owned cottages on Meach Lake?

2. Is only the south shore of Meach Lake to be turned into a public beach and picnic area or are there plans to extend these services at some future date?

3. Will the public beach and picnic area on the south shore of Meach Lake result in the need to expropriate private prop-

erty or are all cottages affected the property of the National Capital Commission?

4. How many people will this new public beach accommodate?

5. What is the estimated cost of this development?

6. What alternatives, if any, to Meach Lake were considered and why was Meach Lake chosen in preference to these alternatives?

7. Could not the 27 cottagers, whose eviction from cottages owned by the National Capital Commission became necessary, have been given more than thirty days' notice?

Hon. Mr. Martin: There is certainly no intention to expropriate the person of anyone from Meach Lake.

Hon. Mr. Flynn: I am very pleased to have that assurance.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move, seconded by Hon. Mr. Bourget, with leave of the Senate, and notwithstanding the provisions of Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, April 7, 1970 at 8 o'clock in the evening.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Paul Martin: Honourable senators, in accordance with the practice which we have been following for the past few weeks, I should like to give an outline of the work envisaged for the Senate after the recess.

When the Senate resumes, debate will continue on the inquiry of Senator Phillips (Rigaud) calling the attention of the Senate to the 13th Meeting of the Canada-United States Interparliamentary group in Washington, Cape Kennedy and San Antonio. I understand that his Honour the Speaker will speak on April 7.

Then we will continue the debate of the motion regarding statutory instruments, standing in the name of Senator Lamontagne. I understand a number of senators wish to present their views on this important subject.

Hon. Mr. Flynn: This is sufficient reason for our coming back at the earliest possible date?

Hon. Mr. Martin: That is right.

Then, Bill C-136, an Act respecting the appropriation of land, is still before the Legal and Constitutional Affairs Committee who, I believe, are considering some rather important amendments. This could be before us on April 8 or April 9.

The Hate Propaganda Bill, which was introduced in the Commons this session, has now been reported from committee in that house and will probably come to us for consideration shortly after we resume.

We can also expect a message from the House of Commons asking the Senate to join with them in the appointment of a Joint Committee on Price Stability. The message will ask that six of our members be named to this committee.

The Senate Committee on Banking, Trade and Commerce has scheduled meetings on the White Paper on Taxation for Wednesday, April 8 and Thursday, April 9. Among the witnesses expected will be representatives of the Canadian Labour Congress. On April 9, there will be meetings of both the National Finance Committee and the Special Committee on Poverty. It is possible—although I have not discussed this with the honourable Senator Lamontagne, but I had a discussion this morning with the co-chairman from the other place—that there might be a report presented by the Special Joint Committee on the Constitution of Canada. It is also possible that a committee under the chairmanship of Senator Bourget may meet that week.

On April 7 we will have to decide, as I discussed with the honourable the Leader of the Opposition this morning, whether in view of the program the next day and the anticipated program for the balance of that week, it will be necessary to have the committee sit on Wednesday.

STATUTORY INSTRUMENTS

PROPOSED STUDY OF PROCEDURES BY LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Martin, P.C., seconded by the Honourable Senator McDonald:

That the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and, from time to time, to report on procedures for the review by the Senate of instruments

made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.—(*Honourable Senator Lamontagne, P.C.*).

Hon. Paul Martin: This order will stand until the night of April 7, when Senator Lamontagne will unburden himself of the main thesis.

Hon. Mr. Grosart: May I ask the honourable Leader of the Government a question? In view of the reported speech by Senator Lamontagne in Toronto yesterday, has he been informed or is he in a position to inform the chamber to which side of the house Senator Lamontagne will address his speech?

Hon. Mr. Martin: He will exercise the privilege of independence, which is one of the great attributes of senators who are not members of the Government.

Hon. Mr. Flynn: Apparently the Leader does not wish to resign from the Government!

Order Stands.

BUSINESS OF THE SENATE

Hon. Paul Martin: I wish to advise honourable senators that we will be meeting here in the Senate chamber at 4.55 this afternoon to await the pleasure of His Honour the Deputy to His Excellency the Governor General for the purpose of giving Royal Assent. As we are all aware, this will be the first visit by Chief Justice Fauteaux in his new capacity, as Deputy to His Excellency the Governor General for this ceremony. I am sure we will all want to be present to pay our respects to him.

Hon. Mr. Flynn: Joined by a large number from the other place!

Hon. Mr. Martin: Since you have mentioned the other place, before moving the adjournment of the Senate I might mention that I am now leaving the Senate to pay my respects to a former Prime Minister, the Right Honourable John Diefenbaker, who today is celebrating his thirtieth year as a member of Parliament.

Hon. Mr. Flynn: I shall, with pleasure, join the Leader of the Government in this celebration.

The Senate adjourned during pleasure.

At 4.55 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

[Hon. Mr. Martin.]

ROYAL ASSENT

The Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, 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 Speaker of the Senate said:

Honourable Members of the Senate:
Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be be issued under his Sign Manual and Signet constituting the Right Honourable Joseph Honoré Gérald Fauteux, P.C., Chief Justice of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Exellency's pleasure.

The Commission was read by the Clerk Assistant.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Parole Act.

An Act respecting the labelling, sale, importation and advertising of consumer textile articles.

An Act to amend the Agricultural Products Co-operative Marketing Act.

An Act to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

An Act to amend the Coastal Fisheries Protection Act.

An Act to repeal the Deep Sea Fisheries Act.

An Act to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

An Act respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another.

An Act to amend the Cape Breton Development Corporation Act.

An Act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain Acts that provide for the payment of those pensions.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Right Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1970.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1971.

To which bills I humbly request Your Honour's assent.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The 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 Tuesday, April 7, at 8 p.m.

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Abbreviations

1r, 2r, 3r,	=	First, second, third reading
amdts	=	amendments
com	=	committee
div	=	division
m	=	motion
neg	=	negatived
ref	=	referred
rep	=	report
r.a.	=	royal assent

Abbott, Hon. D.C., P.C.
Royal assent, 1222-3

Acts passed during the Session

Assented to November 27, 1969

Chapter		*Bill No.*
1.	Expo Winding-up Act	C-6

Assented to December 19, 1969

2.	Appropriation Act No. 4, 1969	C-169
3.	Canadian National Railways Financing and Guarantee Act 1969	C-7
4.	Children of War Dead (Education Assistance) Act amendment	C-8
5.	Company of Young Canadians Act amendment	C-171
6.	Customs Tariff and Excise Tax Act amendment	C-140
7.	Excise Tax Act amendment	C-155
8.	Income Tax Act amendment	C-139
9.	Judges Act amendment	C-2
10.	Prairie Grain Provisional Payments Act 1969-70	C-157
11.	Schedule A of the Bank Act amendment	S-13

Acts passed during the Session – *Continued*

Assented to March 12, 1970

Chapter		*Bill No.*
12.	Canada Student Loans Act amendment	C-135
13.	Canada-Sweden Supplementary Income Tax Agreement	C-156
14.	Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments	S-6
15.	Company of Young Canadians Act amendment	C-176
16.	Foreign Insurance Companies Act amendment	S-7
17.	Loan Companies Act amendment	S-9
18.	Quarantine Act	S-12
19.	Quebec Savings Banks Act amendment	S-2
20.	Railway Act amendment	C-11
21.	Small Businesses Loans Act amendment	C-9
22.	Trust Companies Act amendment	S-8

Assented to March 25, 1970

23.	Agricultural Products Co-operative Marketing Act amendment	C-183
24.	Appropriation Act No. 1, 1970 (Supp.)	C-200
25.	Appropriation Act No. 2, 1970 (Interim)	C-201
26.	Cape Breton Development Corporation Act amendment	C-138
27.	Coastal Fisheries Protection Act amendment	C-134
28.	Deep Sea Fisheries Act, an Act to repeal	C-133
29.	Dominion Coal Board Dissolution Act	C-161
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32.	Saltfish Act	C-175
33.	Statute Law (Supplementary Retirement Benefits) Amendment Act, 1970	C-194
34.	Textile Labelling Act	S-20

Assented to May 13, 1970

35.	Canada Shipping Act amendment	C-10
36.	International Development Research Centre Act	C-12
37.	Radiation Emitting Devices Act	S-14
38.	Yukon Placer Mining Act	S-4

Assented to June 11, 1970

39.	Criminal Code amendment (Hate Propaganda)	C-3
40.	Criminal Records Act	C-5
41.	Expropriation Act	C-136
42.	Industrial Research and Development Incentives Act amendment	C-193
43.	Oil and Gas Production and Conservation Act amendment	S-5
44.	Supreme Court Act amendment	C-182

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Assented to June 26, 1970

45. Aeronautics Act, regulations made pursuant to section 4 ..... C-218
46. Appropriation Act No. 3, 1970 ..... C-224
47. Arctic Waters Pollution Prevention Act C-202
48. Bills of Exchange Act amendment C-208
49. Canada Elections Act C-215
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52. Canada Water Act C-144
53. Electoral Boundaries Readjustment Act (Perth-Wilmot) C-62
54. Electoral Boundaries Readjustment Act (Sarnia-Lambton) C-75
55. Electoral Boundaries Readjustment Act (Burnaby-Richmond-Delta) C-130
56. Electoral Boundaries Readjustment Act (Glengarry-Prescott-Russell) C-153
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63. Fisheries Act amendment C-204
64. Law Reform Commission Act C-186
65. National Energy Board Act amendment C-190
66. Northern Inland Waters Act C-187
67. Nuclear Liability Act C-158
68. Territorial Sea and Fishing Zones Act amendment C-203
69. Yukon Act, the Northwest Territories Act and the Territorial Lands Act amendment C-212

Assented to October 7, 1970

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75. Pitts Life Insurance Company S-11
76. McOuat Investments Limited S-15
77. Buccaneer Industries Limited S-16
78. ICG Transmission Limited S-17
79. Brunner Corporation (Canada) Ltd S-18

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